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American Foreign Policy Current Documents 1983

Department of State
Washington
1985

References:

Bevans	Treaties and Other International Agreements of the United States of America 1776–1949, compiled under the direction of Charles I. Bevans
P.L.	Public Law of the United States
Stat.	United States Statutes at Large
TIAS	Treaties and Other International Acts Series, issued singly in pamphlets by the Department of State
UNTS	United Nations Treaty Series
U.S.C.	United States Code
UST	United States Treaties and Other International Agreements (volumes published on a calendar-year basis beginning as of January 1, 1950)

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Preface

This volume continues the Department of State series begun in 1950 with the publication of *A Decade of American Foreign Policy: Basic Documents, 1941–49* (Senate Document 123, 81st Congress, 1st Session) and the subsequent publication in 1957 of *American Foreign Policy, 1950–1955: Basic Documents* (2 vols., Department of State Publication 6446). Annual volumes entitled *American Foreign Policy: Current Documents* were issued for the years 1956–1967. After an interruption, the series was resumed in 1983 with the publication of *American Foreign Policy: Basic Documents, 1977–1980.* Two volumes to fill in the 1968–1976 time period are being planned for future publication. In 1984 the Department revived the annual volumes with the publication of *American Foreign Policy: Current Documents, 1981.* The 1982 annual volume was published earlier this year; the 1984 volume is scheduled for publication later this year.

The volumes in this series present the principal public foreign policy messages, addresses, statements, interviews, press briefings and conferences, and congressional testimony by the executive branch of the U.S. Government. Their main focus is the contemporary public expression of U.S. foreign policy. Internal working documents relating to the policymaking process, press guidances, and telegraphic messages between Washington and posts abroad are not included in this volume unless they were released to the press and public at the time. Many documents in the present volume have already been published in other official publications. Others, including several background briefings, are printed here for the first time. Some documents issued by other governments or by international organizations or containing statements by foreign leaders have been included because they had a major impact on the formulation of the policies of the United States.

This volume covers all major foreign policy subjects and geographical areas. Comprehensive treatment of all issues in depth within the limitations of a single volume is not possible, but an effort has been made to select the most important documents on the major issues. Extracts from long documents are printed to provide the most important portions while saving space for the publication of other documents. The editors have consistently tried to balance the need for full documentation on the major crisis areas in U.S. foreign relations with less extensive coverage of a wide range of less critical but still significant issues.

The present volume is organized chronologically by functional and geographical subject in 15 chapters. The table of contents precedes a complete list of documents, a list of persons, and a list of abbreviations. An index by document number follows the text.

A microfiche supplement to this volume, scheduled for subsequent publication, will consist of several important series of background documents, such as the Department of State numbered press releases and the transcripts of the Department of State daily press briefings. Neither the printed volume nor the supplement contains cross-references to the other publication. Nevertheless, the microfiche supplement complements the printed volume in at least two ways. First, the series reproduced in it contains the full texts of many documents published as extracts in the printed volume. Second, it reproduces many important documents which relate to the compilations in the printed volume but could not be included there because of space limitations.

The preparation of this volume involved a systematic review of all major documentary sources. Documentary collections were identified and gathered from the Offices of the President's Press Secretary and the Vice President's Press Secretary; the Department of State Office of Press Relations as well as numerous other offices and bureaus of the Department; the Historical Office of the Office of the Secretary of Defense, and the Offices of the Joint Chiefs of Staff, Public Affairs, and International Security Policy of the Department of Defense; the Offices of Public Affairs of the Agency for International Development, Arms Control and Disarmament Agency, U.S. Information Agency, and the Departments of Agriculture, Commerce, and the Treasury; and the staffs of the various foreign affairs committees of the Congress.

Where a variety of source texts for a given document was available, the editors have selected the most primary version. Thus White House press releases are used as source texts rather than the texts subsequently published later in the *Weekly Compilation of Presidential Documents* or the *Public Papers of the Presidents of the United States.* Similarly, Depart-

ment of State press releases, statements, or speeches in typescript are used as the source texts instead of the same versions printed later in the Department of State *Bulletin* or other publications. The accuracy of these later published versions is not in question, but there are occasionally minor differences, particularly when documents are condensed by the omission of long introductory or concluding remarks which do not relate directly to the subject. An exception to this practice is the congressional hearings; in such cases the printed hearing serves as the source text.

Except for silent editing of obvious spelling errors, the manuscript versions used as source texts in the present volume have not been altered. All but the most perfunctory remarks at the beginning or end of documents ("good evening," "thank you," for example) are included. The names of briefers and of members of the press who might inadvertently have been included in the transcript of a background briefing have been deleted to preserve the anonymity of the participants; such deletions are denoted by an ellipsis of three periods. If more than the brief opening or concluding remarks or the names of participants in background briefings are omitted, the document is called an "extract." The omitted portions are identified by ellipses of three periods in cases involving less than one paragraph; omissions of an entire paragraph or more are denoted by ellipses of seven points. Except for background briefings, which required formal clearance by the appropriate executive agencies, the omissions are solely matters of editorial judgment to exclude unrelated documentation and to conserve space.

The first footnote to each document indicates the source text used; if the source text is an unpublished text, this footnote also indicates if the text is printed elsewhere. In the case of public speeches and statements, this footnote also indicates whether it is the text as actually delivered, if this information is known.

Annotation in the form of editorial notes has been used on occasion to introduce a new issue or to summarize a document (such as a special report or publication) or group of documents which could not be printed because of space limitations. These notes are designed to identify the events and to help the interested reader locate the documents. Footnotes have been used to explain references in the text and to provide cross-references to other documents or footnotes in the volume or in previous volumes in the series. The purpose of such annotation is to be helpful and informative while remaining simple and nondistracting. The editors have not attempted in footnotes to go into great detail or explain possible implications of a reference. Vague and merely allusive references in the text are not footnoted. Unpublished sources are not normally cited; but if important information derived from an unpublished, unclassified source is provided in a footnote, the source of the information is given.

Because of the multiplicity of files of unpublished sources searched for these volumes, some explanation of their citation in source footnotes is required. Department of State daily press briefings and numbered press releases, White House press releases, and the public statements of the Secretary of Defense, which are compiled in the Historical Office in the Office of the Secretary of Defense, are cited in the source notes because they are preserved intact as a series and later deposited in bound volumes or on microfiche in selected libraries. Unpublished documents are generally identified only by agency of origin, such as Department of Defense files, Department of the Treasury files, or Department of State files. More specific permanent file provenance designations are generally not possible for most contemporary documents. The editors therefore have not routinely included such information in the source footnotes. The discovery of useful documents from a variety of sources within the U.S. Government only reemphasizes the role of the *American Foreign Policy* series in the systematic collection and publication of many important public documents which might otherwise be retrieved later only with difficulty.

David S. Patterson directed the planning, preparation, and review of this volume. He was assisted in the review by Evans Gerakas, David W. Mabon, Nina J. Noring, and Stanley Shaloff. The compilers of each part were as follows: Chapters 1 and 2, Karen D. Bryfogle; Chapter 3, Neal H. Petersen; Chapter 4, Carol A. Becker; Chapter 5, William F. Sanford, Jr.; Chapters 6 and 9, Suzanne E. Coffman; Chapter 7, Nancy L. Golden and Ms. Coffman; Chapter 8, Lawrence P. Adamczyk and Deborah A. Peabody; Chapter 10, Charles Stuart Kennedy, Jr., Sherrill B. Wells, Ms. Coffman, Ms. Golden, and Messrs.

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Althea W. Robinson of the Publishing Services Division (Paul M. Washington, Chief) performed the technical editing under the supervision of Rita M. Baker. CDB Enterprises compiled the index.

William Z. Slany
The Historian
Office of the Historian
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List of Abbreviations

AAAS	American Association for the Advancement of Science
ABC	American Broadcasting Company
ABM	antiballistic missile
ACDA	Arms Control and Disarmament Agency
AD	Acción Democrática (Democratic Action Party) (El Salvador)
ADB	African Development Bank
ADB	Asian Development Bank
AECA	Arms Export Control Act
AFAP	artillery-fired atomic projectile
AFB	air force base
AFL–CIO	American Federation of Labor–Congress of Industrial Organizations
AFP	Armed Forces of the Philippines
AID	Agency for International Development
AIFLD	American Institute for Free Labor Development
ALCM	air-launched cruise missile
ANC	African National Congress
APC	armored personnel carrier
APS	Algerian Press Service
ARDE	Alianza Revolucionaria Democrática (Democratic Revolutionary Alliance) (Nicaragua)
ARENA	Alianza Republicana Nacionalista (National Republican Alliance) (El Salvador)
ASAT	antisatellite
ASEAN	Association of Southeast Asian Nations
AST	Allocations Systems Test
ASW	antisubmarine warfare
AWACS	airborne warning and control system
BCP	Burmese Communist Party
BIFAD	Board for International Food and Agricultural Development, Agency for International Development
BIS	Bank for International Settlements
BIT	bilateral investment treaty
BMD	ballistic missile defense
CAB	Civil Aeronautics Board
CAP	Common Agricultural Policy
CARE	Cooperative for American Relief Everywhere
CARICOM	Caribbean Community and Common Market
CASICS	Combined All-Source Intelligence Centers
CBI	Caribbean Basin Initiative
CBS	Columbia Broadcasting System
CBW	chemical and biological warfare; chemical and biological weapons
C^3I	command, control, communications, and intelligence
CCC	Commodity Credit Corporation
CCDAC	Central Committee for Drug Abuse Control (Burma)
CD	Certificate of Deposit
CD	Committee on Disarmament
CDA	Cooperation for Development in Africa
CDE	Conference on Disarmament in Europe
CDIP	Combined Defense Improvement Program
CEMA	Council for Mutual Economic Assistance (also known as CMEA)
CENTCOM	U.S. Central Command
CFC	Combined Forces Command
CFF	Compensatory Financing Facility
CFR	Code of Federal Regulations
CIA	Central Intelligence Agency
CIC	Counter-Intelligence Corps (U.S. Army)
CILSS	Comité Inter-État de Lutte Contre la Sécheresse au Sahel (Permanent Interstate Committee for Drought Control in the Sahel)

CIMAL	Centro de Información sobre Migraciones en America Latina (Information Center on Immigration in Latin America)
CIP	commodity import program
CITEL	Comisión Interamericana de Telecomunicaciones (Inter-American Telecommunication Commission)
COCOM	Coordinating Committee for East-West Trade Policy
CONUS	Continental United States
COSEP	Consejo Superior de la Empresa Privada (Superior Council for Private Enterprise) (Nicaragua)
CR	continuing resolution
CRS	Catholic Relief Services
CSB	closely spaced basing
CSCE	Conference on Security and Cooperaton in Europe
CVBG	carrier battle group
CW	chemical warfare
DA	development assistance
DBX	direct broadcasting statellite
DCM	Deputy Chief of Mission
DE	directed energy
DEA	Drug Enforcement Administration
DECA	Defense and Economic Cooperation Agreement
Deob-Reob	Deobligation/Reobligation
DIA	Defense Intelligence Agency
DITI	Department of International Trade and Industry
DK	Democratic Kampuchea
DMZ	demilitarized zone
DOD	Department of Defense
DRA	Democratic Republic of Afghanistan
EC	European Community
ECOSOC	Economic and Social Council (United Nations)
ECOWAS	Economic Community of West African States
EDT	Eastern Daylight Time
EEC	European Economic Community
EEZ	exclusive economic zone
EFF	Extended Fund Facility
ELF	Eritrean Liberation Front
EPCA	Energy Policy and Conservation Act
EPLF	Eritrean People's Liberation Front
EPS	Ejército Popular Sandinista (Sandinista People's Army) (Nicaragua)
EROS	Earth Resources Observation Station
ESF	Economic Support Fund
ESL/CO	English as a Second Language/Cultural Orientation
EUCOM	European Command
EURATOM	European Atomic Energy Community
EUSA	8th U.S. Army
EXIM	Export-Import Bank
FAA	Foreign Assistance Act
FAO	Food and Agriculture Organization (United Nations)
FBI	Federal Bureau of Investigation
FCC	Federal Communications Commission
FCMA	Fisheries Conservation and Management Act
FDN	Fuerza Democrática Nicaraguense (Nicaraguan Democratic Force)
FDR	Frente Democrático Revolucionario (Democratic Revolutonary Front) (El Salvador)
FERC	Federal Energy Regulatory Commission
FHI	Family Health International
FIP	Force Improvement Plan
FMLN	[Frente] Farabundo Martí de Liberación Nacional (Farabundo Marti National Liberation [Front]) (El Salvador)

FMS	foreign military sales
FRG	Federal Republic of Germany
FSLN	Frente Sandinista de Liberación Nacional (Sandinista National Liberation Front) (Nicaragua)
FSM	Federated States of Micronesia
FTC	Federal Trade Commission
FY	fiscal year
FYDP	Five Year Defense Program
FYI	for your information
G-10	Group of 10
G-77	Group of 77 developing nations
GAB	general arrangements to borrow
GAO	General Accounting Office
GATT	General Agreement on Tariffs and Trade
GCC	Gulf Co-Operation Council
GCEP	Gas Centrifuge Enrichment Plant
GC-MS	gas chromatograph-mass spectrometer
GDP	gross domestic product
GHZ	gigahertz
GLCM	ground-launched cruise missile
GMT	Greenwich mean time
GNP	gross national product
GOG	Government of Greece
GOL	Government of Lebanon
GON	Government of Nepal
GOP	Government of Pakistan
GOP	Government of the Philippines
GSM	general sales manager
GSP	generalized system of preferences
GTE	General Telephone and Electronics Corporation
HA	Bureau of Human Rights and Humanitarian Affairs, Department of State
HF	high frequency
HFAC	House (of Representatives) Foreign Affairs Committee
HICOG	U.S. High Commission for Germany
H.R.	House of Representatives
HSP	Hexapartite Safeguards Project
HT2	metabolite of T2 toxin
IACAC	Inter-American Commercial Arbitration Commission
IAEA	International Atomic Energy Agency
IAG	interagency working group
IAPG	Inter-Agency Arctic Policy Group
IBM	International Business Machines Corporation
IBRD	International Bank for Reconstruction and Development (World Bank)
ICAO	International Civil Aviation Organization
ICBM	intercontinental ballistic missile
ICCR	International Committee for Contraceptive Research
ICJ	International Court of Justice
ICK	International Conference on Kampuchea
ICM	Intergovernmental Committee for Migration
ICRC	International Committee of the Red Cross
ID	infantry division
IDA	International Development Association
IDB	Inter-American Development Bank
IDCA	International Development Cooperation Agency
IDF	Israeli Defense Forces
IEA	International Energy Agency
IEEPA	International Emergency Economic Powers Act

IFALPA	International Federation of Air Line Pilot Associations
IFF	identify friends or foes
IMET	International Military Education and Training Program
IMF	International Monetary Fund
IMST	Institute of Marine Sciences and Technology
INF	intermediate-range nuclear forces
INLA	International Nuclear Law Association
INM	Bureau of International Narcotics Matters, Department of State
INS	Immigration and Naturalization Service
IOCD	International Organization for Chemistry in Development
IPDC	International Program for the Development of Communications
IPS	international plutonium storage
IRA	individual retirement account
IRRI	International Rice Research Institute
ITC	International Trade Commission
ITU	International Telecommunications Union
IWC	International Whaling Commission
JACC	Joint Agricultural Consultative Committee (United States–Nigeria)
JEC	Joint Economic Commission (United States-Morocco)
JEWEL	Joint Endeavor for Welfare, Education, and Liberation (Grenada)
JMC	Joint Military Commission (United States–Morocco)
JST	Japan Standard Time
KAL	Korean Air Lines
KGB	Komitet Gosudarstvennyi Bezopasnosti (Committee for State Security) (Soviet Union)
KHAD	Khedamati-i-Etal'at-i-Dolati (Afghan intelligence and security organization)
KPNLF	Khmer People's National Liberation Front
LAF	Lebanese Armed Forces
LANDSAT	land remote sensing satellite station
LATI	Linee Aeree Transcontinentali Italiane
LAVI	Israeli fighter
LDC	less developed country
LIBOR	London Interbank Offered Rate
LNG	liquified natural gas
LOS	Law of the Sea
LRINF	longer-range intermediate-range nuclear forces
LTA	long-term grain agreement
LTC	Lieutenant Colonel
LTV	light tracking vehicle
MAC	Military Armistice Commission
MAP	military assistance program
MAU	marine amphibious unit
MBA	military base agreement
MBFR	mutual and balanced force reduction
MDB	multilateral development bank
MDT	mutual defense treaty
METSAT	meteorological satellite station
MFN	most favored nation
MFO	Multinational Force and Observers/Multilateral Force Observers (Sinai)
MIA	missing in action
MIRV	multiple independently targetable reentry vehicle
MITI	Ministry of International Trade and Industry (Japan)
MNF	multinational force
MP	Military Police
MRD	Movement for Restoration of Democracy (Pakistan)
MTT	mobile training team
MX	missile experimental

NAM	Nonaligned Movement
NASA	National Aeronautics and Space Administration
NATO	North Atlantic Treaty Organization
NBC	National Broadcasting Company
NCO	noncommissioned officer
NEA	Bureau of Near Eastern and South Asian Affairs, Department of State
NIEO	New International Economic Order
NNBIS	National Narcotics Border Interdiction System
NNICC	National Narcotics Intelligence Consumers Committee
NNPA	Nuclear Non-Proliferation Act
NPG	Nuclear Planning Group (North Atlantic Treaty Organization)
NPT	Non-Proliferation Treaty
NRC	Nuclear Regulatory Commission
NSC	National Security Council
NSDD	National Security Decision Directive
NTM	national technical means
NVF	National Vulcanized Fibre Company
NWFP	Northwest Frontier Province (Pakistan)
OAS	Organization of American States
OAU	Organization of African Unity
OECD	Organization for Economic Cooperation and Development
OECS	Organization of Eastern Caribbean States
OMB	Office of Management and Budget
ONCB	Office of Narcotics Control Board (Thailand)
OPEC	Organization of the Petroleum Exporting Countries
OPIC	Overseas Private Investment Corporation
OSS	Office of Strategic Services
OTA	Office of Technology Assessment
OTEC	Ocean Thermal Energy Conversion
PARFR	Program for Applied Research in Fertility Regulation
PCN	Partido Conciliación Nacional (National Conciliation Party) (El Salvador)
PDC	Partido Demócrata Cristiano (Christian Democratic Party) (El Salvador)
PEN	Poder Ejecutivo Nacional (National Executive Power) (Argentina)
PFY	Pakistani Fiscal Year
PIACT	Program for the Introduction and Adaptation of Contraceptive Technology
PL	Public Law
PLO	Palestine Liberation Organization
PNCB	Pakistani Narcotics Control Board
PNG	persona non grata
PNP	People's National Party (Jamaica)
POLISARIO	[Frente] Popular para la Liberación de Saguia el-Hamra y Río de Oro (Popular Front for the Liberation of Saguia el Hamra and Río de Oro) (Western Sahara)
POW	prisoner of war
PPB	parts per billion
PPS	Partido Popular Salvadoreño (Salvadoran Popular Party)
PRA	People's Revolutionary Army (Grenada)
PRC	People's Republic of China
PRE	Bureau for Private Enterprise, Agency for International Development
PSP	Progressive Socialist Party (Lebanon)
R&D	research and development
RDF	rapid deployment force
RDT&E	research, development, test, and evaluation
RFE	Radio Free Europe
RL	Radio Liberty

RMC	Revolutionary Military Council (Grenada)
ROK	Republic of Korea
RTG	Royal Thai Government
S	Senate
SA	security assistance
SADCC	Southern African Development Coordination Council
SALT	strategic arms limitation talks
SAS	Scandinavian Airlines System
SCG	Special Consultative Group (North Atlantic Treaty Organization)
SDAR	Saharan Democratic Arab Republic (Morocco)
SDR	special drawing rights
SIC	State Investigation Committee
SIG-IEP	Senior Interagency Group-International Economic Policy
SLBM	submarine-launched ballistic missile
SLOC	sea lines of communication
SMS	strategic missile squadron
SPOT	Système Probatoire Observatoire Terrestriel (Experimental Earth Observation System) (France)
SPR	strategic petroleum reserve
SS	surface-to-surface
SSBN	ballistic missile nuclear submarine
ST	short ton
START	Strategic Arms Reduction Talks
STR	Special Trade Representative
SUA	Shan United Army (Thailand)
SWA	Southwest Africa
SWA	Southwest Asia
SWAPO	South West Africa People's Organization
T2	a type of trichothecene toxin
TASS	Telegraphnoye Agentstvo Sovyetskovo Soyuza (Telegraph Agency of the Soviet Union)
TIAS	Treaties and Other International Acts Series
TNF	Theater Nuclear Forces
TNT	trinitrotoluene
TOW	tube launched, optically tracked, wire guided missile
TRIAD	Target Resolving Information Augmentation Device
TS	Treaty Series
TTPI	Trust Territory of the Pacific Islands
UDI	unilateral declaration of independence
UN	United Nations
UNBRO	United Nations Border Relief Operations
UNC	United Nations Command
UNCTAD	United Nations Conference on Trade and Development
UNDRO	United Nations Disaster Relief Office
UNEP	United Nations Environmental Program
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFDAC	United Nations Fund for Drug Abuse Control
UNFICYP	United Nations Peacekeeping Force in Cyprus
UNFPA	United Nations Fund for Population Activities
UNGA	United Nations General Assembly
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNIFIL	United Nations Interim Force in Lebanon
UNISPACE	United National Conference on the Exploration and Peaceful Uses of Outer Space
UNITA	União Nacional para a Independência Total de Angola (National Union for the Total Independence of Angola)

UNSCR	United Nations Security Council Resolution
UNTAG	United Nations Transition Assistance Group (for Namibia)
UNTS	United Nations Treaty Series
UNTSO	United Nations Truce Supervisory Organization
UP	United Press
UPP	United Press of Pakistan
US	United States
USA	United States Army
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
USG	United States Government
USIA	United States Information Agency
USMC	United States Marine Corps
USMNF	United States Multinational Force
USS	United States Ship
USSR	Union of Soviet Socialist Republics
USTR	United States Trade Representative
USUN	United States Mission to the United Nations
VIP	very important person
VOA	Voice of America
WARC	World Administrative Radio Conference
WESTCOM	Western Command
WFP	world food program
WHO	World Health Organization (United Nations)
WRSA	war reserve stocks for allies
XAD	Experimental and Development
YAR	Yemen Arab Republic

List of Names

Abe, Shintaro, Japanese Foreign Minister
Abramowitz, Morton I., U.S. Representative to the Mutual and Balanced Force Reduction Negotiations from March 1983
Abrams, Elliott, Assistant Secretary of State for Human Rights and Humanitarian Affairs
Addabbo, Rep. Joseph P. (D–N.Y.)
Adelman, Kenneth L., Deputy Representative to the United Nations to January 12, 1983; thereafter Director of the Arms Control and Disarmament Agency
Alfonsín, Raúl, President of Argentina from December 10, 1983
Ali, Gen. Kamal Hassan, Egyptian Deputy Prime Minister and Foreign Minister
Allin, Lyndon K., Deputy Press Secretary to the President
Andrei, Stefan, Romanian Foreign Minister
Andreotti, Giulio, Italian Foreign Minister from August 4, 1983
Andropov, Yuri Vladimirovich, General Secretary of the Central Committee of the Communist Party of the Soviet Union; Chairman of the Presidium of the Supreme Soviet of the Soviet Union from June 16, 1983
Arafat, Yasir, Chairman, Palestine Liberation Organization
Arens, Moshe, Israeli Ambassador to the United States to February 24, 1983; thereafter Israeli Defense Minister
Armacost, Michael H., Jr., Ambassador to the Philippines
Armitage, Richard L., Deputy Assistant Secretary of Defense for International Security Affairs (East Asia and Pacific Affairs)
Assad, Hafiz al-, President of Syria

Babrak Karmal, President of Afghanistan
Baker, James A., III, Chief of Staff and Assistant to the President
Baldrige, Malcolm, Secretary of Commerce
Balsemão, Francisco Pinto, Prime Minister of Portugal to June 9, 1983
Barnes, Harry G., Jr., Ambassador to India
Barnes, Rep. Michael D. (D–Md.)
Barrow, Gen. Robert H., USMC, Commandant of the Marine Corps to June 26, 1983
Bartholomew, Reginald, Ambassador to Lebanon from October 27, 1983
Bayulken, Haluk, Turkish National Defense Minister to December 13, 1983
Beggs, James M., Administrator, National Aeronautics and Space Administration
Begin, Menachem, Prime Minister of Israel to October 10, 1983
Betancur Cuartas, Belisario, President of Colombia
Biden, Sen. Joseph R., Jr. (D–Del.)
Bignone, Gen. Reynaldo, President of Argentina to December 10, 1983
Bishop, James K., Deputy Assistant Secretary of State for African Affairs
Bishop, Maurice, Prime Minister of Grenada to October 19, 1983
Block, John R., Secretary of Agriculture
Boland, Rep. Edward P. (D–Mass.)
Bonker, Rep. Don L. (D–Wash.)
Botha, Pieter Willem, Prime Minister of South Africa
Botha, Roelof F., South African Minister of Foreign Affairs and Information
Bourguiba, Habib, President of Tunisia
Bouterse, Lt. Col. Desire, Head of Government of Suriname
Bradley, George, Deputy Assistant Secretary of Energy for International Affairs
Brock, Rep. William E., III, U.S. Trade Representative
Brown, Rep. George E., Jr. (D–Cal.)
Brown, William A., Principal Deputy Assistant Secretary of State for East Asian and Pacific Affairs
Burns, Arthur F., Ambassador to West Germany
Burt, Richard R., Assistant Secretary of State for European Affairs from February 18, 1983
Bush, George, Vice President of the United States

Carstens, Karl, President of West Germany
Casey, William J., Director of Central Intelligence
Castro Ruz, Fidel, Prime Minister of Cuba
Ceauşescu, Nicolae, President of Romania

Charles, Eugenia, Prime Minister of Dominica; Chairperson of the Organization of Eastern Caribbean States
Chávez Mena, Fidel, Salvadoran Foreign Minister
Chernenko, Konstantin Ustinovich, Secretary of the Central Committee and Member of the Politburo of the Communist Party of the Soviet Union
Chevsson, Claude, French Foreign Minister
Chun Doo Hwan, President of South Korea
Clark, William P., Assistant to the President for National Security Affairs
Cohen, Sen. William S. (R–Me.)
Colombo, Emilio, Italian Foreign Minister to August 4, 1983
Cooper, Warren E., New Zealand Foreign Minister
Córdovez, Diego, Personal Representative of the United Nations Secretary-General on the Situation in Afghanistan
Countryman, John R., Ambassador to Oman
Craig, Rep. Larry E. (R–Idaho)
Craxi, Bettino, Prime Minister of Italy from August 4, 1983
Crocker, Chester A., Assistant Secretary of State for African Affairs

Dam, Kenneth W., Deputy Secretary of State
D'Amato, Sen. Alfonse M. (R–N.Y.)
De la Barre de Nanteuil, Luc, French Representative to the United Nations
De la Espriella, Ricardo, President of Panama
De la Garza, Rep. E (Kika) (D–Tex.)
De la Madrid Hurtado, Miguel, President of Mexico
Dean, John Gunther, Ambassador to Thailand
Deaver, Michael K., Deputy Chief of Staff and Assistant to the President
Delors, Jacques, French Minister of Economy, Finance and Budget
Deng Xiaoping, Chairman, Chinese Central Military Commission, from June 18, 1983
Derwinski, Edward J., Department of State Counselor from March 23, 1983
D'Escoto Brockman, Rev. Miguel, Nicaraguan Foreign Minister
Diallo, Hama Arba, Upper Voltan Foreign Minister from August 24, 1983
Dickman, François M., Ambassador to Kuwait to August 8, 1983
Dillon, Robert S., Ambassador to Lebanon to October 11, 1983
Diouf, Abdou, President of Senegal
Dobrynin, Anatoliy, Soviet Ambassador to the United States
Dodd, Sen. Christopher J. (D–Conn.)
Doe, Gen. Samuel K., Head of State of Liberia
Doha, Aminur Rahman Shamsud, Bangladesh Foreign Minister
Dole, Sen. Robert J. (R–Kans.)
Dost, Shah Mohammad, Afghan Foreign Minister
Dougan, Diana Lady, Department of State Coordinator for International Telecommunications and Information Policy from April 1983
Douglas, H. Eugene, Department of State Coordinator for Refugee Affairs
Draper, Morris, Chief U.S. Negotiator in Lebanon and Assistant to the Special Representative of the President for the Middle East to July 22, 1983; Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs to February 6, 1983
DuPont, Elise R.W., Assistant Administrator for Private Enterprise, Agency for International Development
Dymally, Rep. Mervyn M. (D–Cal.)

Eagleburger, Lawrence S., Under Secretary of State for Political Affairs
Eanes, Gen. António dos Santos Ramalho, President of Portugal
Edwards, Rep. Don (D–Cal.)
Elizabeth II, Queen of England
Enders, Thomas O., Assistant Secretary of State for Inter-American Affairs to June 27, 1983; thereafter Ambassador to Spain
Ershad, Lt. Gen. Hussain Mohammad, Chief Martial Law Administrator of Bangladesh; President of Bangladesh from December 11, 1983
Evren, Gen. Kenan, President of Turkey

Fairbanks, Charles H., Jr., Deputy Assistant Secretary of State for Human Rights
Fairbanks, Richard, Special Middle East Peace Negotiator

Fanfani, Amintore, Prime Minister of Italy to August 4, 1983
Fascell, Rep. Dante B. (D–Fla.)
Fattal, Antoine, Lebanese Chief Negotiator of Lebanon-Israel Troop Withdrawal Agreement
Figueiredo, Gen. (Ret.) João Baptista de Oliveira, President of Brazil
Flesch, Colette, Vice President, Foreign Minister, Justice Minister, and Economics Minister of Luxembourg
Fowler, Mark S., Chairman, Federal Communications Commission
Funderburk, David B., Ambassador to Romania

Galbraith, Evan G., Ambassador to France
Gandhi, Indira, Prime Minister of India
Gemayel, Amin, President of Lebanon
Genscher, Hans-Dietrich, West German Vice Chancellor and Foreign Minister
Gerard, Jean Broward Shevlin, U.S. Representative to the 22d Session of the General Conference of the United Nations Educational, Scientific and Cultural Organization
Ghorbal, Ashraf A., Egyptian Ambassador to the United States
Gibbons, Rep. Sam M. (D–Fla.)
Gilman, Rep. Benjamin A. (R–N.Y.)
Glenn, Sen. John H., Jr. (D–Ohio)
Gobbi, Hugo J., Special Representative of the U.N. Secretary-General in Cyprus
Goldwater, Sen. Barry (R–Ariz.)
González Márquez, Felipe, Prime Minister of Spain
Gray, Rep. William H., III (D–Pa.)
Greenleaf, Charles W., Jr., Assistant Administrator for Asia, Agency for International Development
Gromyko, Andrei Andreevich, Soviet Foreign Minister

Habib, Philip C., Special Representative of the President for the Middle East to July 22, 1983
Habré, Hissein, President of Chad
Hamilton, Rep. Lee H. (D–Ind.)
Haq, Raja Zafarul, Pakistani Minister of Information and Broadcasting
Haralambopoulos, Ioannis, Greek Foreign Minister
Harkin, Rep. Tom (D–Iowa)
Hartman, Arthur, Ambassador to the Soviet Union
Hassan II, King of Morocco
Hatfield, Sen. Mark O. (R–Ore.)
Hawke, Robert, Prime Minister of Australia from March 11, 1983
Hawkins, Sen. Paula (R–Fla.)
Hayden, William, Australian Foreign Minister from March 11, 1983
Helms, J. Lynn, Administrator, Federal Aviation Administration
Helms, Sen. Jesse (R–N.C.)
Heng Samrin, Chairman of the State Council of Kampuchea
Herrera Campíns, Luis, President of Venezuela
Hill, A. Alan, Chairman, Council on Environmental Quality
Hinton, Deane R., Ambassador to El Salvador to July 15, 1983; Ambassador to Pakistan from December 26, 1983
Hodel, Donald Paul, Secretary of Energy
Hollai, Imré, Hungarian Deputy Foreign Minister
Holmes, Allan, Ambassador to Portugal
Houphouët-Boigny, Félix, President of the Ivory Coast
Howe, Rear Admiral Jonathan T., Director, Bureau of Politico-Military Affairs, Department of State
Hu Yaobang, General Secretary, Central Committee of the Chinese Communist Party
Hughes, John, Department of State Spokesman and Assistant Secretary of State for Public Affairs
Hurtado Larrea, Osvaldo, President of Ecuador
Hussein I, King of Jordan
Hussein, Saddam, President of Iraq
Hyde, Rep. Henry J. (R–Ill.)

Iklé, Fred, Under Secretary of Defense for Policy
Illueca, Jorge E., President of the 38th U.N. General Assembly

Jackson, Sen. Henry M. (D–Wash.) to September 1, 1983
Janka, Leslie A., Special Assistant to the President and Deputy Press Secretary for Foreign Affairs
Jarpa Reyes, Sergio Onofre, Chilean Minister of Interior from August 10, 1983
Jaruzelski, Gen. Wojciech, Prime Minister of Poland, Polish Defense Minister, and First Secretary, Central Committee, Polish United Workers' Party
Jayewardene, J.R., President of Sri Lanka
Jepsen, Sen. Roger W. (R–Iowa)
John Paul II, Pope
Jorge, Paulo Teixeira, Angolan Foreign Minister
Juan Carlos I, King of Spain

Kamanda Wa Kamanda, Zaire Foreign Minister to November 1, 1983; thereafter Justice Minister
Kampelman, Max M., Chairman, U.S. Delegation to the Conference on Security and Cooperation in Europe
Kapsis, Ioanis, Greek Deputy Foreign Minister
Kassebaum, Sen. Nancy L. (R–Kans.)
Kaunda, Kenneth D., President of Zambia
Kelley, Gen. Paul X., USMC, Commandant of the Marine Corps from July 8, 1983
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Kennedy, Richard T., Ambassador-at-Large and Special Adviser to the Secretary of State on Nonproliferation and Nuclear Energy
Keshtmand, Sultan Ali, Prime Minister of Afghanistan
Keyes, Alan L., Alternative Representative to the United Nations
Keyworth, George A., II, Science Adviser to the President
Khaddam, Ab al-Halim, Syrian Deputy Prime Minister and Foreign Minister
Khalifa, Shaikh Isa bin Sulman Al, Amir of Bahrain
Khomeini, Ayatollah Ruhollah Mussavi, Leader of Iran
Kim Sang Hyup, Prime Minister of South Korea to October 14, 1983
Kirkpatrick, Jeane J., Representative to the United Nations
Kohl, Helmut, Chancellor of West Germany
Kyprianou, Spyros, President of Cyprus

Lamb, Denis, Deputy Assistant Secretary of State for Economic and Business Affairs
Lantos, Rep. Tom (D–Cal.)
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Lee Bum Suk, South Korean Foreign Minister to October 9, 1983
Lee Kuan Yew, Prime Minister of Singapore
Leland, Marc E., Assistant Secretary of the Treasury for International Affairs
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Ling Qing, Chinese Representative to the United Nations
Livingston, Rep. Robert L. (R–La.)
Lloreda Caicedo, Rodrigo, Columbian Foreign Minister
Long, Rep. Clarence D. (D–Md.)
Losonczi, Pál, President of Hungary
Lowry, Rep. Mike (D–Wash.)
Luce, Gordon C., Alternate Representative to the United Nations
Luns, Joseph, Secretary General, North Atlantic Treaty Organization
Lyman, Princeton, Deputy Assistant Secretary of State for African Affairs
Lyng, Richard E., Deputy Secretary of Agriculture

MacEachen, Allan J., Canadian Deputy Prime Minister and Secretary of State for External Affairs
Magaña Borja, Alvaro Alfredo, Provisional President of El Salvador
Mansfield, Michael J., Ambassador to Japan

Marcos, Ferdinand E., President of the Philippines
Marshall, Harry R., Jr., Principal Deputy Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs
Mathias, Sen. Charles McC., Jr. (R–Md.)
M'Bow, Amadou Mahtar, Director General, United Nations Educational, Scientific and Cultural Organization
McClure, Sen. James A. (R–Idaho)
McDonald, Rep. Larry (D–Ga.) to September 1, 1983
McFarlane, Robert C., Deputy Assistant to the President for National Security Affairs to August 31, 1983; Personal Representative of the President to the Middle East from July 22 to October 17, 1983; thereafter Assistant to the President for National Security Affairs
McPherson, M. Peter, Administrator, Agency for International Development
Meese, Edwin, III, Counselor to the President
Mengistu Haile-Mariam, Lt. Col., Chairman of the Provisional Military Administrative Council of Ethiopia
Mica, Rep. Dan (D–Fla.)
Michel, James, Principal Deputy Assistant Secretary of State for Inter-American Affairs from August 1983
Michel, Rep. Robert H. (R–Ill.)
Middendorf, J. William, II, Representative to the Organization of American States
Mitterrand, François, President of France
Mobutu Sese Seko Marshal, President of Zaire
Mochtar Kusumaatmadja, Indonesian Foreign Minister
Moi, Daniel T. arap, President of Kenya
Mojsov, Lazar, Yugoslav Foreign Affairs Secretary, and Member, Federal Executive Council
Monge Alvarez, Luis Alberto, President of Costa Rica
Moore, Powell A., Assistant Secretary of State for Congressional Relations to August 8, 1983
Morán López, Fernando, Spanish Foreign Minister
Motley, Langhorne A., Assistant Secretary of State for Inter-American Affairs from July 12, 1983
Moynihan, Sen. Daniel Patrick (D–N.Y.)
Mubarak, Mohammed Hosni, President of Egypt
Mugabe, Robert, Prime Minister of Zimbabwe
Muldoon, Robert D., Prime Minister of New Zealand
Murphy, Richard W., Ambassador to Saudi Arabia to August 21, 1983; Assistant Secretary of State for Near Eastern and South Asian Affairs from October 28, 1983
Mzali, Mohamed, Prime Minister of Tunisia

Nakasone, Yasuhiro, Prime Minister of Japan
Nalen, Craig A., President and Chief Executive Officer, Overseas Private Investment Corporation
Nelson, Donald M., Assistant U.S. Trade Representative for Agricultural Affairs and Commodity Policy
Newell, Gregory J., Assistant Secretary of State for International Organization Affairs
Nguyen Co Thach, Vietnamese Foreign Minister
Niles, Thomas M. T., Deputy Assistant Secretary of State for European Affairs
Nimeiri, Gaafar Mohamed, President of Sudan, Prime Minister, and Defense Minister
Nitze, Paul H., Head, U.S. Delegation to the Intermediate Range Nuclear Force Negotiations
Nott, John, British Defense Secretary
Nujoma, Sam, President of South West Africa People's Organization
Nunn, Sen. Sam (D–Ga.)
Nyerere, Julius, President of Tanzania

Obando y Bravo, Miguel, Archbishop of Managua
O'Donohue, Daniel A., Deputy Assistant Secretary of State for East Asian and Pacific Affairs
Ogarkov, Marshal Nikolai Vasil'evich, Chief of General Staff of the Soviet Armed Forces
O'Neill, Rep. Thomas P., Jr. (D–Mass.)

Ortega Durán, Oydén J., Panamanian Foreign Minister from September 1983
Ortega Saavedra, Cdte., Humberto, Nicaraguan Defense Minister
Ortega Saavedra, Daniel, Coordinator, Junta of the Government of National Reconstruction of Nicaragua
Ouedraogo, Jean-Baptiste, President of Upper Volta and Minister of National Defense and Veterans Affairs to August 5, 1983
Ozal, Turgut, Prime Minister of Turkey from December 13, 1983

Paganelli, Robert Peter, Syrian Ambassador to the United States
Papandreou, Andreas, Prime Minister of Greece and Minister of National Defense
Parsons, Sir Anthony, British Representative to the United Nations
Patolichev, Nikolai Semenovich, Soviet Foreign Trade Minister
Pell, Sen. Claiborne (D–R.I.)
Pelletreau, Robert H., Jr., Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs from February 1983
Percy, Sen. Charles H. (R–Ill.)
Pérez de Cuéllar, Javier, United Nations Secretary-General
Perle, Richard N., Assistant Secretary of Defense for International Security Policy
Pertini, Sandro, President of Italy
Pickering, Thomas R., Ambassador to Nigeria to July 9, 1983; Ambassador to El Salvador from September 5, 1983
Pinochet Ugarte, Gen. Augusto, President of Chile
Placke, James A., Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs from February 1983
Planinc, Milka, President, Yugoslav Federal Executive Council
Prem Tinsulanonda, Gen., Prime Minister of Thailand
Pressler, Sen. Larry (R–S.D.)
Pritchard, Joel, Representative to the 38th Session of the U.N. General Assembly
Pungan, Maj. Gen. Vasile, Romanian Minister of Foreign Trade and International Economic Cooperation
Purcell, James N., Jr., Director, Bureau for Refugee Programs, Department of State

Qaboos bin Said, Sultan, Prime Minister of Oman, Defense Minister, Finance Minister, and Foreign Minister
Qadhafi, Col. Mu'ammar al, Chief of State of Libya
Quainton, Anthony C. E., Ambassador to Nicaragua
Quijano, Raúl A., Argentine Representative to the Organization of American States

Rajaie-Khorassani, Said, Iranian Representative to the United Nations
Rao, P. V. Narasimha, Indian Foreign Minister
Rawlings, Flt. Lt. Jerry John, Chairman, Provisional National Defense Council of Ghana, and Chief of Defense Staff
Reagan, Ronald, President of the United States
Regan, Donald T., Secretary of the Treasury
Ríos Montt, Brig. Gen. José Efraín, President of Guatemala to August 8, 1983
Robinson, Davis R., Department of State Legal Adviser
Robinson, Leonard H., Jr., Deputy Assistant Secretary of State for African Affairs from April 1983
Roca, Eduardo A., Argentine Representative to the United Nations
Romanov, Gen. Semyon F., Soviet Chief of Staff of the Air Defense Forces
Romberg, Alan D., Department of State Deputy Spokesman
Romulo, Carlos P., Philippine Foreign Minister
Ros, Enrique, Argentine Under Secretary of State for Foreign Affairs
Rosenne, Meir, Israeli Ambassador to the United States from July 12, 1983
Rostenkowski, Rep. Dan (D–Ill.)
Rostow, Eugene V., Director, Arms Control and Disarmament Agency, to January 12, 1983
Roth, Sen. William V., Jr. (R–Del.)
Rowny, Edward L., Special Representative for Arms Control and Disarmament Negotiations
Ruddy, Frank S., Assistant Administrator for Africa, Agency for International Development

Rumsfeld, Donald, Personal Representative of the President for the Middle East from November 3, 1983

Sabah, Sabah al-Ahmad al-Jabir Al, Kuwaiti Deputy Prime Minister, Foreign Minister, and Information Minister
Sabah, Shaykh Saud Nasir Al, Kuwaiti Ambassador to the United States
Sanchez, Nestor D., Deputy Assistant Secretary of Defense for International Security Affairs (Inter-American Affairs)
Sankara, Capt. Thomas, President of Upper Volta from August 5, 1983
Santos, José Eduardo dos, President of Angola
Sarbanes, Sen. Paul S. (D–Md.)
Saud, Fahd bin Abd al-Aziz Al, King and Prime Minister of Saudi Arabia
Sayre, Robert M., Director, Office for Combatting Terrorism, Department of State
Schaffer, Howard B., Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs
Schneider, David T., Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs
Schneider, William, Jr., Under Secretary of State for Security Assistance, Science and Technology
Scoon, Paul Godwin, Governor General of Grenada
Scowcroft, Brent, Chairman, President's Commission on Strategic Forces
Seaga, Edward Philip George, Prime Minister of Jamaica
Secord, Gen. Richard V., USAF, Deputy Assistant Secretary of Defense for International Security Affairs (Near Eastern and South Asian Affairs)
Sepúlveda Amor, Bernardo, Mexican Foreign Minister
Shagari, Alhaji Shehu, President of Nigeria to December 31, 1983
Shamir, Yitzhak, Israeli Foreign Minister
Sharon, Ariel, Israeli Defense Minister to February 13, 1983
Sherman, William C., Deputy Representative to the United Nations Security Council
Sharp, Philip R. (D–Ind.)
Shoesmith, Thomas P., Deputy Assistant Secretary of State for East Asian and Pacific Affairs
Shultz, George P., Secretary of State
Siad Barre, Maj. Gen. Mohammad, President of Somalia
Sihanouk, Prince Samdech Norodom, President of the Coalition Government of Democratic Kampuchea
Sims, Robert B., Deputy Press Secretary to the President for Foreign Affairs
Sinclair, Noel G., Guyanese Representative to the United Nations
Singh, Zail, President of India
Skelton, Rep. Ike (D–Mo.)
Smirnov, Vitaly S., Soviet Ambassador to Pakistan
Smith, Rep. Lawrence J. (D–Fla.)
Smith, William French, Attorney General
Soeharto, President of Indonesia
Solarz, Rep. Stephen J. (D–N.Y.)
Solomon, Rep. Gerald B. (R–N.Y.)
Speakes, Larry M., Principal Deputy Press Secretary to the President
Sprinkel, Beryl W., Under Secretary of the Treasury for Monetary Affairs
Stone, Richard, Ambassador-at-Large and Special Representative of the President for Public Diplomacy in Central America from June 1, 1983
Strachan, Selwyn, Grenadian National Mobilization Minister to October 19, 1983
Stroessner, Gen. Alfredo, President of Paraguay
Suazo Córdova, Roberto, President of Honduras
Synar, Rep. Mike (D–Okla.)

Talpur, Ali Ahmad, Pakistani Minister of Defense
Thatcher, Margaret, Prime Minister of the United Kingdom
Thayer, Paul, Deputy Secretary of Defense
Theberge, James, Ambassador to Chile
Thomson, John, British Representative to the United Nations
Thorn, Gaston, President of the Commission, European Communities
Thurmond, Sen. Strom (R–S.C.)

Touré, Ahmed Sékou, President of Guinea
Tower, Sen. John G. (R–Tex.)
Tracy, Alan T., Deputy Under Secretary of Agriculture for International Affairs and Commodity Programs
Troyanovsky, Oleg Aleksandrovich, Soviet Representative to the United Nations
Trudeau, Pierre Elliott, Prime Minister of Canada to November 15, 1983
Tsongas, Sen. Paul E. (D–Mass.)
Türkmen, Ilter, Turkish Foreign Minister to December 13, 1983

Ülüsü, Vice Adm. Bülend, Prime Minister of Turkey to December 13, 1983
Uno, Sosuke, Japanese International Trade and Industry Minister from June 10, 1983
Ustinov, Marshall of the Soviet Union Dimitriy Fedorovich, Soviet Defense Minister

Valencia Rodríguez, Luis, Ecuadorean Foreign Minister
Vaughan, William A., Assistant Secretary of Energy for Environmental Protection, Safety, and Emergency Preparedness
Veliotes, Nicholas A., Assistant Secretary of State for Near Eastern and South Asian Affairs to October 27, 1983
Vessey, Gen. John W., Jr., USA, Chairman of the Joint Chiefs of Staff
Vest, George S., Ambassador, U.S. Mission to the European Communities
Vidoje, Žarkovic, Vice President of Yugoslavia
Viljoen, Marais, State President of South Africa
Virata, César E. A., Prime Minister of the Philippines
Volcker, Paul A., Chairman, Board of Governors, Federal Reserve System

Wallis, W. Allen, Under Secretary of State for Economic Affairs
Walters, Vernon A., Ambassador-at-Large
Wazzan, Shafiq, Prime Minister of Lebanon
Weinberger, Caspar W., Secretary of Defense
Weiss, Rep. Ted (D–N.Y.)
Wendt, E. Allan, Deputy Assistant Secretary of State for International Energy Policy, Bureau of Economic and Business Affairs
Wick, Charles Z., Director, U.S. Information Agency
Wise, Rep. Robert E., Jr. (D–W. Va.)
Wisner, Frank G., II, Deputy Assistant Secretary of State for African Affairs
Wolfowitz, Paul, Assistant Secretary of State for East Asian and Pacific Affairs
Wolpe, Rep. Howard E. (D–Mich.)
Wu Xueqian, Chinese Foreign Minister

Yaqub Khan, Sahabzada, Pakistani Foreign Minister
Yatron, Rep. Gus (D–Pa.)

Zablocki, Rep. Clement J. (D–Wisc.), to December 3, 1983
Zambrano Velasco, José Alberto, Venezuelan Foreign Minister
Zhang Aiping, Chinese National Defense Minister
Zhao Ziyang, Prime Minister, and Minister of the State Commission for Restructuring the Economic System of China
Zia-ul-Haq, Gen. Mohammad, President of Pakistan and Chief Martial Law Administrator

Chapter 1. General Principles and Objectives of American Foreign Policy

Document 1

Address by President Reagan Before the American Legion Annual Conference, February 22, 1983 [1]

The Quest for Peace and Freedom

Commander Keller, honored guests, and fellow legionnaires, I thank you for that warm welcome and for the high honor that you have bestowed on me.[2] And let me also thank you for the recognition you've given to a distinguished veteran and outstanding legislative leader—my good friend Bob Michel. I can't think of a more deserving recipient than Bob Michel for the Legion's Distinguished Public Service Award. I also deeply appreciate Commander Keller's recent telegram to me committing the Legion's support for our government's efforts to achieve an accounting of our missing men. (Applause)

It is always a special pleasure and honor to address the National Convention of the Legion. Each meeting is more than a joyous reunion of old comrades from days gone by; it is a reminder of those who cannot be here—those who gave their last full measure of devotion so that we and our children could enjoy the blessings of freedom in peace.

This 23d annual meeting here in Washington, my second speech to a national convention of the Legion, is a suitable occasion for taking stock. Back in August of 1980, when you gathered in Boston, I asked for your help and the help of millions of other Americans, to reverse a dangerous course America had drifted on for too long. I said then that, together, it was our duty to begin to choose a new road—a road to peace built upon a realistic understanding of our nation's strength and continuing faith in her values. America has chosen that new road. And today I'd like to report on the progress we have made in the past 2 years in our quest for peace and freedom in an uncertain world.

I know of no more appropriate forum than this convention for such a report. When Dwight Eisenhower addressed this body in 1954, he said, "To help keep America strong, to help keep her secure, to help guide her on the true path to peace, there is no group better qualified than you of the American Legion."

In recent days I have received reports from four senior members of this administration who have returned from assignments that took them to the far corners of the globe. Vice President Bush was warmly received in Europe, where he helped clear up many misconceptions about American policy. Secretary of State Shultz undertook an extensive tour of the Far East. Our Ambassador to the United Nations, Jeane Kirkpatrick, has returned from a mission to South and Central America. And my National Security Advisor, Bill Clark, reported back from conferences in Europe with our arms control negotiators, Paul Nitze and Ed Rowny. [3]

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[1] Source: White House Press Release, February 22, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, February 28, 1983, pp. 270–277. The source text is the text as actually delivered. The President spoke at 11:10 a.m. at the Capital Hilton Hotel in Washington.

[2] Prior to his address, the President received the American Legion's Distinguished Service Medal from Jack W. Flynt, past national commander.

[3] Vice President Bush visited Europe from January 30 to February 10, to hold discussions and consultations regarding the Geneva talks on intermediate-range nuclear forces with leaders of seven allied governments. He visited Bonn, Berlin, The Hague, Brussels, Geneva, Rome, the Vatican, Paris, and London. While in Geneva, he met with the U.S. and Soviet INF and START delegations, and attended a meeting of the Committee on Disarmament. Secretary Shultz left Washington January 29 to consult with government leaders of Japan, China, and Korea. From January 30 to February 10, he visited Tokyo, Beijing, Seoul, and Hong Kong. U.S. Permanent Representative to the United Nations, Ambassador Jeane J. Kirkpatrick, visited Central America to consult with leaders of Panamá, Costa Rica, Honduras, El Salvador, and Venezuela from February 3 to 12. William P.

Continued

The reports of all these capable officials have given us a timely survey of the international scene. It's an encouraging one, marking substantial progress since that day in August of 1980 when I asked for and received your help. The international situation then was truly alarming for all who cared about America and the cause of peace and freedom. Our country was the target for countless political and terrorist attacks all around the globe. In the view of many of our friends, we had become an uncertain ally; in the view of potential adversaries, we had become a dubious deterrent to aggression. Our position in the United Nations had eroded to unacceptable levels, and our strength as a world power according to every index—moral, political, military, economic—had deteriorated to such an extent that the enemies of democracy and international order felt they could take advantage of this weakness. The Soviets sent their Cuban mercenaries to Angola and Ethiopia, used chemical weapons against innocent Laotians and Cambodians, and invaded Afghanistan—all with impunity. Perhaps the most degrading symbol of this dismal situation was the spectacle of Iranian terrorists seizing American hostages and humiliating them and our country for more than a year.

How did all this happen? Well, the answer is: America had simply ceased to be a leader in the world. This was not the exclusive fault of any one leader or party—and it will take a truly bipartisan effort to make things right again.

For too long, our foreign policy had been a pattern of reaction to crisis, reaction to the political agendas of others, reaction to the offensive actions of those hostile to freedom and democracy. We were forever competing on territory picked by our adversaries, with the issues and timing all chosen by them. And no one knows better than combat veterans that once you're on the defensive, you can't go forward. The only movement left to you is retreat.

Some of our opinion molders had ceased to believe that we were a force for good in the world. They were ashamed that America was wealthy in a world with so much poverty. They rarely, if ever, explained that America's wealth came not from exploitation or mere good luck but from the hard work of the American people, from risk-taking by American investors, from the creativity of American inventors and entrepreneurs, and a free system of incentives.

Too many of our leaders saw the Soviets as a mirror image of themselves. If we would simply disarm, the Soviets would do likewise. They spent all their time viewing the world the way they wished it was, not the way it really is. And that's no way to protect the peace.

Their approach ignored the central focus of politics—the minds, hearts, sympathies, fears, hopes, and aspirations not of governments, but of people. The 20th century has witnessed—and America has led the way in—the rising participation of all the people in international politics. Yet, even in this age of mass communications, too many of our leaders ignored this critical dimension.

Too many of our policymakers had lost touch with changing world realities. They failed to realize that to be an effective force for peace today, America must successfully appeal to the sympathies of the world's people—the global electorate. We can't simply be anti-this, and anti-that. We can't simply react defensively to the political proposals of others, sometimes criticizing them, sometimes accommodating them, without positive alternative solutions to basic human problems.

At bottom, they ignored our responsibility to work for constructive change, not simply to try to preserve the status quo.

Fortunately, the American people sensed this dangerous drift and by 1980, a national reawakening was underway. A reawakening that resulted in a new sense of responsibility, a new sense of confidence in America and the universal principles and ideals on which our free system is based.

It is not an arrogant demand that others adopt our ways. It's a realistic belief in the relative and proven success of the American experiment. What we see in America today, in spite of the many economic hardships we're facing, is a renewed faith in the rightness of our system. That

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Clark, Assistant to the President for National Security Affairs; Ambassador Edward L. Rowny, Chairman of the U.S. START Delegation; and Ambassador Paul H. Nitze, Chief Negotiator for the U.S. INF Delegation, were members of the American delegation to the Wehrkunde conference in Munich, February 12 and 13.

system has never failed us. We have failed the system every time we forgot the fundamental principles upon which it was based.

For America to play its proper role in the world, we had to set our own house in order. Our first and highest priority was to restore a sound economic base here at home. We had to put an end to the inflationary spiral which had been scourging this country for years, creating misery among those who have to survive on fixed incomes, destroying long-term capital markets, and mortgaging the future of our children and grandchildren. Then we had to lay the foundation for a recovery which would be based on sustainable growth without unleashing the inflationary monster again on ourselves and the world.

Well, we've achieved our first economic goal and we're well embarked on the second. Inflation, which was in double digits in 1979 and 1980, was only 3.9 percent in 1982 and in the last quarter was down to an annualized rate of only 1.1 percent.

The other essential precondition of a strengthened and purposeful foreign policy was the rebuilding of our foundation of our military strength. "To be prepared for war," George Washington said, "is the most effectual means of preserving peace." Well, it's precisely because we're committed to peace that we have a moral obligation to ensure America's defense credibility.

Now, I realize that many, well-meaning people deplore the expenditure of huge sums of money for military purposes at a time of economic hardship. Similar voices were heard in the 1930's, when economic conditions were far worse than anything we're experiencing today. But the result of heeding those voices then was a disastrous military imbalance that tempted the forces of tyranny and evil and plunged the world into a ruinous war. Possibly some of you remember drilling with wooden guns and doing maneuvers with cardboard tanks. We must never repeat that experience. (Applause)

Now, for two decades, the Soviet Union has been engaged in building up the most powerful military forces in all man's history. During this period, the United States limited its own military spending to the point that our investment in defense actually declined in real terms while Soviet investment was nearly double our own during the decade of the 1970's. Neither our limiting or cancelling of important weapon systems nor the efforts of a decade's worth of arms control agreements and negotiations have stopped or even slowed the Soviet leadership's pursuit of global military superiority.

Well, 2 years ago, we began the long, tough job of rebuilding America's defenses after those years of systematic underfunding and neglect. And today we're on the verge of putting in place a defense program adequate to our security needs. If we show the resolve to sustain the necessary levels of military spending, and with your support and that of millions of other concerned citizens, we can, we can restore [balance] and deterrence, and we can better protect the peace.

Now, let me address our foreign policy strategy. Some people have said we don't have one. (Laughter) One of the first things this administration did was what we believed the American people had demanded of us—namely, to be realistic about the nature of the world and our adversaries, and to speak the unadulterated truth about them. Making excuses for bad behavior only encourages bullies and invites aggression.

Pursuing a policy of honesty and realism toward the Soviets doesn't mean that productive relations between our two nations are impossible. What is required for such relations is restraint and reciprocity. Restraint must be demonstrated not only by words but by deeds. We respect international law and the independence of other peoples. The Soviets need only respond in kind.

Fortunately, America is far from alone in its quest for a peaceful, prosperous, and humane international order. With us stand our friends and allies, in particular the democracies of Europe, of Latin America, Asia, and the Pacific. With us in spirit also are millions of people in Poland and other Soviet-dominated countries, as well as in the Soviet empire itself. I received a snapshot the other day that had been smuggled out of Poland.

And I was so proud. It was smuggled out just for the purpose of delivering it to me. It was a picture, a little photograph snapshot of a tiny little girl and a small boy holding a cardboard sign on which was printed things in Polish, and they sent

the translation. It said, "Our father is sitting in prison for Solidarity." And the look of sorrow, of pathos on the little girl's face was the most touching thing you can imagine.

Maintenance of our allied partnerships is a key to our foreign policy. The bedrock of European security remains the NATO alliance. NATO is not just a military alliance. It's a voluntary political community of free men and women based on shared principles and a common history. The ties that bind us to our European Allies are not the brittle ties of expediency or the weighty shackles of compulsion. They resemble what Abraham Lincoln called the "mystic chords of memory" uniting peoples who share a common vision. So, let there be no doubt on either side of the Atlantic. The freedom and independence of America's Allies remain as dear to us as our own.

The Soviets' fundamental foreign policy is to break the link that binds us to our NATO Allies. Their growing nuclear threat to Europe, especially since the mid-seventies, has a political as well as a military purpose, the deliberate fostering of a sense of insecurity among the peoples of Western Europe, and pressure for accommodation to the Soviet power.

The ultimate Soviet goal in Europe is to force the nations to accommodate themselves to Soviet interests on Soviet terms. We should all know just what those terms are. We need look no further than the Berlin Wall and the Iron Curtain. The truth is something that we and our NATO Allies must not hesitate to use to counter the slurs and threats made against us. Speaking the truth was one of the primary missions accomplished by Vice President Bush in his recent European trip. He cleared the air of misinformation, indeed, of deliberate falsehoods. He reaffirmed America's fundamental commitment to peace. We are not in the business of imperialism, aggression, or conquest. We threaten no one. Soviet leaders know full well there is no political constituency in the United States or anywhere in the West for aggressive military action against them.

Vice President Bush reaffirmed our commitment to serious, mutual, and verifiable arms reductions. Our proposal is a serious one. And it represents real arms reduction, not merely the ratification of existing levels of weaponry on both sides.

The Vice President, also, conveyed my willingness to meet anytime and anywhere with Mr. Andropov to sign an agreement that would eliminate an entire class of weapons from the face of the Earth. (Applause) And that offer still stands.

Finally, he conveyed our belief that success in reducing significantly the strategic arsenals of both sides depends on continued allied unity, and a determination to face and speak the truth about the threat confronting us.

I have a deep personal commitment to achieving an arms-reduction agreement at the negotiations in Geneva on intermediate-range nuclear forces. We and our allies are in full agreement that the proposal that I have made for the complete elimination of the entire class of longer-range, land-based INF missiles remains the best and most moral outcome. We are negotiating in good faith in Geneva. And ours is not a take-it-or-leave-it proposal. Our negotiations in Geneva are premised upon sound principles, supported by all the Allies after long and careful consultation.

These principles include the only basis on which a fair agreement can be reached—is that of equality of rights and limits between the United States and the Soviet Union. As a corollary, British and French strategic systems are, by definition, not a part of these bilateral negotiations and, therefore, not to be considered in them.

In addition, Soviet proposals which had the effect of shifting the threat from Europe to Asia cannot be considered reasonable. And finally, as in all areas of arms control, it will be essential that an INF agreement be underwritten by effective measures for verification. (Applause)

Now, we view these negotiations as offering the best hope of assuring peace and stability through the reduction of INF systems. Toward that end, Ambassador Nitze has been instructed to explore in Geneva every proposed solution consistent with the principles to which the alliance subscribes.

Any discussion of alliances, friends and concerns of the United States must give special attention to Asia. The U.S.-Japanese relationship remains the centerpiece of our Asian policy. Together, the United States and Japan can make an enormous

contribution to the economic dynamism and technological progress needed for economic growth and development throughout the world. In Asia, itself, we continue to strengthen our partnership in support of peace. Prime Minister Nakasone and I affirmed our commitment to this partnership during his recent visit to Washington. Secretary Shultz' visit to Tokyo underscored it.

Our relationship with the People's Republic of China is another important one, not only for stability and peace in Asia, but around the globe. During his visit to Beijing, Secretary Shultz and [*had?*]—many hours of frank and useful discussions with Chinese leaders. The most important thing to emerge from these talks was that, despite our differences, it is clear that both sides value this relationship and are committed to improve it.

As we rebuild our relationship with China, we will not forget our other friends in the area. We are committed to maintaining our relationship with the people of Taiwan, with whom we have had a long and honorable association. (Applause) Our ties with the Republic of Korea remain strong, as troops of our two nations jointly protect that divided land against threatened aggression from the north. Incidentally, I must say, Secretary Shultz went up to the dividing line—the demilitarized zone—and met with our troops up there, some of whom were just going out on patrol for the night in that zone. And he came back with such glowing stories of the morale and the esprit de corps of our men there. And I've heard the same from the European theatre. We need have no concern about the will and determination of our sons around the world who are representing—(applause)—I wonder if I could take a second—I didn't intend to do this and I've told it to some other people before. But it's a letter I received from one of our Ambassadors in Europe. He had been up in the East German frontier visiting the Second Armored Cavalry Regiment. And he spoke glowingly of them. But in his letter he said that when he went to his helicopter, he was followed by a 19-year-old trooper who asked him if he thought he could get a message to me. Being an Ambassador, he allowed as how he could. (Laughter) The kid stood there and then said, "Mr. Ambassador, will you tell the President, we're proud to be here and we ain't scared of nothing?" (Laughter, applause)

In Southeast Asia, the Association of Southeast Asian Nations, ASEAN, as it's called, is cooperating to improve the economic, cultural, and educational growth of that region. Our country has strong mutual ties with ASEAN and its individual members. And the ANZUS Pact with Australia and New Zealand is one of the most significant relationships we have in the world today.

But in many of the important regions of the world, active conflicts take innocent lives, stunt economic growth, and block social progress. The United States has a unique ability and responsibility to work for peace in these regions.

In the Middle East, we're working to convince the peoples of the area that lasting peace and security can only come through direct negotiations, not the use of armed force. A secure and lasting peace for Israel and its Arab neighbors, including a resolution of the Palestinian problem that satisfies that people's legitimate rights, is a fundamental objective of our foreign policy.

We've launched a new initiative designed to accelerate and broaden the negotiation process begun at Camp David. That process fulfilled the principle of exchanging occupied territory for peace between Israel and Egypt. Today, I repeat my call to the Arab world to accept the reality of Israel, the reality that peace and justice are to be gained only through direct negotiation. King Hussein should be supported in his effort to bring together a joint Jordanian-Palestinian team to negotiate the future of the West Bank, Gaza, and Jerusalem.

We also continue to work for the total withdrawal of all foreign forces from Lebanon so that country can once again be an independent sovereign state. We call on Syria, the PLO, and Israel to withdraw their forces from Lebanon in the shortest possible time. A continued occupation of Lebanon by these forces can only serve the interests of those who wish to undermine the cause of peace.

This administration is prepared to take all necessary measures to guarantee the security of Israel's northern borders in the aftermath of complete withdrawal of the Israeli Army. But peace can only evolve through freely negotiated agreements, not solutions imposed by force.

The world is going through a period of great economic instability, one that poses significant dangers to world security. We and our allies must demonstrate the political courage to cooperate in undertaking the necessary remedies, particularly when these remedies require near-term sacrifices. Never has it been more true that we will all hang separately if we do not hang together.

A key element of our relationship with countries around the world is the economic link that unites us with trading partners. I will not go into great detail today about the international economic and trade policies; but one point I want to make is that it is and will be our policy to oppose protectionism at home and abro d and to foster the continued pattern of ever freer trade which has served the world so well. And it must also be fair trade. (Applause)

Closely related to the trade and economic component of our foreign policy is our relationship with the developing world. I'm convinced that the time has come for this country and others to address the problems of the developing nations in a more forthright and less patronizing way. The fact is that massive infusions of foreign aid have proven not only ineffective in stimulating economic development in the Third World, in many cases they've actually been counterproductive. That kind of foreign aid is nothing more than welfare payments on a global scale and is just as ineffectual and degrading. Our economic assistance must be carefully targeted and must make maximum use of the energy and efforts of the private sector. This philosophy is reflected in the Caribbean Basin Initiative I announced a year ago. Its goal is to combine trade, aid, and incentives for investment into a balanced arrangement that encourages self-help for the people of the Caribbean Basin. Again and again, leaders of these countries have told me that they don't want a hand-out, only help to improve their own lives by their own efforts.

An important part of such help is exposure to the effective management practices and economic thinking that contribute so much to successful development in the advanced economies like our own. There is no more damaging misconception than the notion that capitalism is an economic system benefiting only the rich. Economic freedom is the world's mightiest engine for abundance and social justice. In our own country it has created more wealth and distributed it more widely among our people than in any other society known to man. Developing countries need to be encouraged to experiment with the growing variety of arrangements for profit sharing and expanded capital ownership that can bring economic betterment to their people.

Of course, economic problems are not the only ones that developing countries must contend with. The volatile combination of poverty with social and political instability makes many of these countries national[4] targets for subversion by the new colonialism of the totalitarian left. When countries must divert their scarce resources from economic development in order to fight imported terrorism or guerrilla warfare, economic progress is hard to come by. Security assistance, therefore, is an integral part of our aid policy with respect to Latin America and the developing world in general.

We face a special threat in Central America where our own national security is at risk. Central America is too close to us, and our strategic stake in the Caribbean sea lanes and the Panama Canal is too great for us to ignore reality. The spectre of Marxist-Leninist controlled governments in Central America with ideological and political loyalties to Cuba and the Soviet Union poses a direct challenge to which we must respond. Poverty together with social and political instability make a volatile combination which the new colonialists of the totalitarian left are trying to exploit for their own cynical purposes.

The reaffirmation of democracy in Costa Rica in their elections of last year, the transition from military rule to elected civilian government in Honduras, and the launching of democracy in El Salvador with the successful elections last March prove that we're on the right course.

Thanks to this progress, Marxist revolution is no longer seen as the inevitable future of Central America. Democracy, with free elections, free labor unions, freedom of religion, and respect for the integrity of the individual is the clear choice of the overwhelming majority of Central Americans.

But economic reform needs time to work, and democracy must be nurtured in

[4] Natural. [Footnote in the source text.]

countries where it doesn't have long traditions. We must ensure that the Governments of El Salvador and other Central American countries can defend themselves against the Marxist guerrillas and (who) receive guns, training, and money through Cuba and Nicaragua. The United States cannot and will not allow Marxist terrorism and subversion to prevail in Central America. (Applause)

At the same time, we will continue, through our own efforts and through supporting efforts by other democracies of Latin America, to explore all possibilities for reconciliation and peace in Central America. But let me make it plain—there we will never abandon our friends and we will never abandon our conviction that legitimate political power can be gained through competition at the ballot box in free, open, and orderly elections. (Applause)

Ambassador Kirkpatrick, on her recent trip to Latin America, engaged in extensive consultations with leaders of the region and assured them that we would pursue our common efforts to foster economic development, assist with security concerns, and strengthen the forces of freedom.

Last June, when I addressed the British Parliament, I outlined the all-embracing goal of our foreign policy.[5] I observed that Americans have a positive vision of the future, of the world—a realistic and idealistic vision. We want to see a world that lives in peace and freedom under the consent of the governed. So far, however, we and the other democracies haven't done a very good job of explaining democracy and free economy to emerging nations.

Some people argue that any attempt to do that represents interference in the affairs of others—an attempt to impose our way of life. It's nothing of the kind. Every nation has the right to determine its own destiny. But to deny that [*the*] democratic values and that they have any relevance to the developing world today, or to the millions of people who are oppressed by Communist domination, is to reject the universal significance of the basic timeless credo that all men are created equal—and that they are endowed by their Creator with certain inalienable rights.

People living today in Africa, in Latin America, in Central Asia, possess the same inalienable right to choose their own governors and decide their own destiny as we do. By wedding the timeless truths and values Americans have always cherished to the realities of today's world, we have forged the beginnings of a fundamentally new direction in American foreign policy—a policy based on the unashamed, unapologetic explaining of our own priceless free institutions and proof that they work and describing the social and economic progress they so uniquely foster.

History is not a darkening path twisting inevitably toward tyranny, as the forces of totalitarianism would have us believe. Indeed, the one clear pattern in world events—a pattern that has grown with each passing year of this century—is in the opposite direction. It is the growing determination of men and women of all races and conditions to gain control of their own destinies and to free themselves from arbitrary domination. More than any other single force, this is the driving aspiration that unites the human family today—the burning desire to live unhindered in a world that respects the rights of individuals and nations. Now, I'll admit we're wrong when we have to put barbed wire up to keep our people from leaving this country.

Nothing makes me prouder of the country that I serve than the fact that, once again, America leads the vanguard of this movement. So, let's turn off and tune out on those voices which for too long would have us cringing under the weight of a guilt complex.

It is America that has proposed the elimination of an entire class of nuclear weapons from the face of the Earth, that has called for a 50-percent reduction in intercontinental strategic missiles. It is America that has helped end the siege of Beirut and is effectively working to broaden the Middle East peace process. It is America that works closely with the American frontline—or the African frontline states, I should say—and our European Allies for peace in Southern Africa, and that worked tirelessly with both Britain and Argentina to seek a peaceful resolution of the conflict in the South Atlantic.

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[5] For text of the President's address before the British Parliament, see *American Foreign Policy: Current Documents, 1982*, pp. 14–20.

It is America that encourages the trend toward democracy in Latin America and elsewhere in the world, and cooperates with the Muslim countries and all those who want an end to the brutal Soviet occupation of Afghanistan. It is America that joins with other free peoples in calling for reconciliation and an end to oppression in Poland.

And, yes, it is America that leads the world in contributions to humanitarian and refugee programs, and to assistance programs to help the less fortunate nations of the world.

Isn't it time for us to reaffirm an undeniable truth that America remains the greatest force for peace anywhere in the world today. (Applause) For all the stress and strain of recent ordeals, the United States is still a young nation, a nation that draws renewed strength not only from its material abundance and economic might, but from free ideals that are as vibrant today as they were more than two centuries ago when that small but gallant band we call our Founding Fathers pledged their lives, their fortunes, and their sacred honor to win freedom and independence.

My fellow Legionnaires, the American dream lives—not only in the hearts and minds or our own countrymen, but in the hearts and minds of millions of the world's people in both free and oppressed societies who look to us for leadership. As long as that dream lives, as long as we continue to defend it, America has a future. And all mankind has reason to hope. (Applause)

Thank you. And God bless you all. (Applause)

Document 2

Address by the Deputy Secretary of State (Dam) Before the American Society of International Law, April 15, 1983 [6]

Extraterritoriality, Conflicts of Jurisdiction, and U.S. Foreign Policy

On December 13, 1981, the regime of General Jaruzelski imposed martial law in Poland. The Solidarity labor union was suppressed, its leaders interned. A ruling Military Council began mass arrests and set up detention camps. President Reagan denounced the Polish regime for "trampl[ing] [7] underfoot its solemn commitments to the U.N. Charter and the Helsinki accords." He denounced the Soviet Union for its threats and pressures which bore a major share of the blame for the repression in Poland. On December 29, he unveiled a series of economic sanctions against the Soviet and Polish Governments. The steps included the suspension of licenses for the export or reexport to the Soviet Union of equipment and technology for transmission and refining of petroleum and natural gas. On June 18, 1982, the sanctions were further extended to prohibit any such exports by U.S. subsidiaries or licensees abroad.

There followed, through the rest of 1982, a major dispute between the United States and its most important allies over the effect and legality of the sanctions we had imposed. The usually dry and esoteric issues of international law suddenly became dramatic issues of political conflict, grand strategy, and global diplomacy. International law, instead of mitigating conflict, became a battleground, until the underlying dispute was eased by diplomacy.

The legal dispute was over what is sometimes called extraterritoriality. I prefer the term "conflicts of jurisdiction," which describes the issue more neutrally and analytically. In a wide variety of situations the United States and other coun-

[6] Source: Department of State files; also printed in Department of State *Bulletin*, June 1983, pp. 48–52. Dam delivered the address in Washington.

[7] Brackets are in the source text.

tries attempt to apply their laws or regulations to conduct or property beyond their national boundaries. The resulting international disputes can become particularly serious when the legal arguments embody major disagreements over foreign policy, as in the Polish sanctions case. Thus conflicts of jurisdiction are at the intersection of law and diplomacy, making the topic especially appropriate for a Deputy Secretary of State to discuss before this learned Society.

One of the aims of the American Society of International Law has been "to promote the establishment and maintenance of international relations on the basis of law and justice." That is a good statement of one of our principal national objectives in both international law *and* foreign policy.

Let me give you a brief survey of the conflicts problem, and then I shall outline the program of concrete steps that the U.S. Government is taking to show its willingness to resolve, or ease, the kinds of difficulties that have arisen.

The international problem of conflicts of jurisdiction has an ancient history.

The concept of extraterritoriality antedated the nation-state as we now know it. Through Roman and medieval times, a citizen was subject to the jurisdiction of his sovereign wherever he traveled. More recently, for centuries, consuls of some powerful states were able to exercise criminal and civil jurisdiction over their nationals in foreign countries. As early as the 15th century, Venetians traveling in the Ottoman Empire gained exemption from Ottoman jurisdiction. Soon Sardinians, Tuscans, Austrians, Russians, and others carved out similar privileges in Ottoman domains. The other most famous case is China in the 19th century. Many European colonial powers gained the right to apply their own laws to their nationals in China through diplomatic or consular courts.

The United States engaged in the practice as well. We gained extraterritorial rights in regions of the Ottoman Empire by the 1830 Treaty of Commerce and Navigation with Turkey. These rights lasted until 1949. In China, the United States obtained extraterritorial jurisdiction through the 1844 Treaty of Peace, Amity and Commerce, and did not terminate it until 1943.

When the treaty to relinquish extraterritorial rights in China was before the U.S. Senate in 1943, the Foreign Relations Committee's report somewhat nostalgically observed that the practice of extraterritoriality had had a benign purpose. It had been intended, the Committee said, "to diminish friction, minimize causes of conflict, and contribute to the maintenance of conditions of law and order." As we now know, the practice had the opposite effect. The Chinese today view it as a symbol of the humiliations imposed on them by the colonial powers during the period of their national weakness. The issue had quite literally revolutionary implications. In this modern age of nationalism, *every* nation is extraordinarily sensitive to other countries' assertions of jurisdiction that seem to impinge on the sacred domain of national sovereignty.

The irony is that the modern world also generates its own, almost unavoidable conditions of jurisdictional conflict. We live in a world of increasing economic interdependence. The rapidly growing scale of international trade and investment in the postwar period has brought with it a vast expansion of law, regulation, and legal complexity. The result is that even among the closest allies, claims of jurisdiction are bound frequently to collide. Consider the enormous expansion of world trade: The decade of the 1970's was a period of oil shocks and recessions; nevertheless, between 1970 and 1980 world exports increased from $328 billion to over $2 trillion. American exports alone increased from $43 billion to over $220 billion. Foreign direct investment in the United States increased almost fivefold.

In this modern environment of commercial expansion and interaction, the United States and other nations often judge that their civil and criminal law must reach conduct abroad that has substantial and direct effects on their economies, their interests, and their citizens. Needless to say, one nation's assessment of its legal necessity often runs up against another nation's conception of its national sovereignty.

Problems of conflicting jurisdiction can take many forms. Some conflicts arise from relatively routine applications of domestic law and regulation which do not mesh with other countries' practice. Other conflicts arise from basic clashes of national policy—deeply held convictions, expressed in either domestic or foreign

policy, which conflict with the views of other countries.

Let me discuss both kinds of cases.

In all our countries, expanding bodies of statutory and regulatory law may impel governments or courts to attempt to reach beyond the confines of the national territory.

Our Internal Revenue Service, for example, may seek documents in the possession of an enterprise in a foreign country in order to enforce the proper allocation of taxable income among affiliated companies. Our Securities and Exchange Commission may seek the identity of Swiss bank depositors suspected of insider trading in U.S. securities markets. Our courts may attempt to serve process overseas or to attach sanctions to the failure of foreign witnesses to testify. Our laws prohibiting compliance with foreign economic boycotts against friendly countries apply—by statute—to overseas subsidiaries of American companies.

We in the United States have a long domestic experience with the differing laws of 50 States. Perhaps for that reason we seem to be more comfortable with multiple claims of jurisdiction and much less deferential to the idea of absolute territorial sovereignty. But the United States is not alone in applying its law to foreign entities or transactions. The Commission of the European Communities is now developing a series of regulations which would affect the operations of transnational corporations. One such regulation—the so-called Vredeling proposal—would require subsidiaries in the EC to disclose to their local employees certain decisions and actions of the corporate parent abroad, which have direct effects on those employees. This regulation would apply, for example, to investment and plant closing decisions.

In another area, the European Commission's antitrust authorities are considering remedies in a proceeding against IBM that would require IBM to disclose what it considers trade secrets. Both the Vredeling and the IBM developments have a large potential impact on American firms and their operations outside the EC. The U.S. Government is watching them closely. Some, of course, may savor the prospect of American discomfiture at other countries' attempts to exert an extraterritorial reach. The larger lesson, however, is that the conditions impelling countries to move in this direction are universal, powerful, and troublesome for *all* countries.

Perhaps the classic modern case of conflicts of jurisdiction is antitrust law. The United Kingdom, Australia, and some other important friendly countries simply do not accept the "effects test" as a legitimate basis of jurisdiction to regulate economic conduct under international law. The effects test was initially enunciated in Judge Learned Hand's 1945 *Alcoa* decision and is the first step in the jurisdictional analysis performed by Federal courts today. It applies U.S. antitrust law to conduct abroad having substantial, direct, and foreseeable effects on U.S. domestic or foreign commerce.

The United States is not alone in its adherence to the effects test. In the *Philip Morris* case, the Federal Republic of Germany has claimed jurisdiction over a multinational merger on the basis of even indirect effects on the West German market. The EC Commission has claimed jurisdiction to investigate alleged conspiratorial conduct in the wood-pulp industry—conduct occurring outside the EC—on the basis of effects within the EC. But ironically this growing parallelism only increases the inherent potential for conflict; raising the prospect of proliferating challenges to multinational enterprises by both the United States *and* the European Community.

Particularly acute conflicts have arisen from private treble-damage cases brought against foreign companies in American courts. The treble-damage remedy was designed in American law to bring about more effective antitrust enforcement, encouraging "private attorneys-general" by use of a financial incentive. Our public enforcement authorities—the Antitrust Division of the Justice Department and the Federal Trade Commission—can balance a broad range of public interests when they make enforcement decisions (though foreign governments may still be unhappy with the outcome). Private parties in antitrust litigation have no such responsibility. They may even have an incentive to maximize the detrimental effect on our foreign relations in order to promote a favorable settlement. This has led some foreign governments to criticize private treble-damage actions as "rogue elephants."

The problem of conflicts of jurisdiction is heightened where there is a conflict of

substantive doctrine as well as competing procedural claims. Indeed, antitrust law provides several examples of significant disputes over broad public and international policy.

With only limited exceptions, U.S. law and policy reflect our belief that the marketplace should decide what price to set for goods and services and which competitors will survive the cycles of economic fortune. As the Supreme Court said in the *Brown Shoe* and *Brunswick* cases, antitrust regulation of the marketplace is meant "to protect competition, not competitors." By contrast, many of our trading partners favor—indeed, often encourage—the creation of cartels, particularly for export of products and natural resources. These differing views over the role of the marketplace were manifested in the *Swiss Watchmakers* case. The Swiss Government, starting at least in 1951, authorized and encouraged the formation of a watch export cartel involving both Swiss and U.S. companies. In 1962, the U.S. Department of Justice challenged the cartel under the Sherman Act because it had anticompetitive effects in the U.S. market. The U.S. District Court subsequently entered a consent decree barring the challenged conduct. The *Swiss Watchmakers* case demonstrates that where an activity has an impact on two or more jurisdictions, conflict will arise if they are pursuing contrary policies. And the mechanical application of the principle of territoriality will not either satisfactorily or permanently resolve that conflict. In American law, antitrust doctrine remains not a matter of ordinary regulation but a national policy so important that the Supreme Court, in the *Topco* case, termed it the "Magna Carta of free enterprise."

These differing conceptions of the international order bring us to the realm of foreign policy, where some of the most dramatic cases of conflicts of jurisdiction have occurred.

The United States has resorted to economic controls in several instances as an instrument of foreign or national security policy. In the case of our export controls over trade with Communist countries, there have been many instances of disagreements with our trading partners. In a famous example in the mid-1960's, French President de Gaulle reopened trade relations with China at a time when U.S.–China relations were still locked in bitter hostility. This action quickly found its way into court.

In 1965, the United States attempted to prevent the French subsidiary of Fruehauf, an American manufacturer of tractor-trailers, from selling trailers to China. The company sought relief from a French court, which took over operation of the subsidiary and appointed a receiver who required delivery of the trailers to China. In the end, the territorial sovereign—in this case, France—was allowed to control the enterprise at issue. But the underlying policy conflict endured, at least until 1971, when one of the jurisdictions involved—that is, the United States—began to harmonize its China policy with that of the other.

The dispute over Polish sanctions was an even more vivid example of a legal dispute that was in its essence a dispute over policy. We and our allies condemned the Soviet-backed declaration of martial law in Poland and the suppression of human rights. To signify that "business as usual" could not continue with those who oppressed the Polish people, the President imposed economic sanctions against the Soviet and Polish Governments. These sanctions included, inter alia, controls over exports of oil and gas equipment and technology to the USSR.

The President imposed the sanctions under the Export Administration Act of 1979.[8] The Act authorizes controls over goods or technology "subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States," where necessary to further national security or foreign policy objectives of the United States. Where "national security" controls are involved, fewer disputes arise between the United States and its allies. Goods and technology which make a direct and significant contribution to Soviet military potential are prohibited by all allied countries. When the controls are imposed on "foreign policy" grounds, however—such as in the Polish case—different perspectives are more likely to exist.

The legal dispute with our allies over Polish sanctions focused on the American effort to reach conduct abroad and on the issue of sanctity of contracts. The sanc-

[8] P.L. 96–72, approved September 29, 1979; for text, see 93 Stat. 503.

tions announced on December 29, 1981, prohibited exports and reexports of oil and gas equipment and technology to the Soviet Union regardless of preexisting contractual obligations; the sanctions extended to goods of U.S. origin already in foreign hands. On June 18, 1982, the controls were extended to prohibit the export of wholly foreign-made goods, or the use of previously obtained U.S. technology, by foreign subsidiaries or licensees of U.S. firms. Our allies objected to the interruption of contracts already signed. They objected to the so-called "extraterritorial" reach of the sanctions. American parents of the foreign subsidiaries, such as Dresser Industries, and licensees of American technology, brought numerous administrative proceedings and lawsuits against the U.S. Department of Commerce. In response, this government took the same position that administration after administration, and Congress after Congress, have taken—namely, that the relationship between a parent and a subsidiary, or the use of American technology by a licensee, justifies the assertion of American jurisdiction when substantial American interests are involved.

But the issue was not resolved in the courts. It was settled by diplomacy. The underlying dispute was on the broader question of economic relations with the Soviet Union.

Events in Poland demonstrated that East-West trade has not had a moderating effect on Soviet behavior as some—in the United States and elsewhere in the alliance—had thought it would. The original theory of East-West trade was that the Soviet Union would be restrained in its international behavior for fear of jeopardizing its trade with the West. Quite possibly, dependence on East-West trade may have added to the inhibitions on *Western* responses to Soviet misconduct. It has also become clear since the late 1970's that the Soviet Union is gaining considerable benefit from access to Western high technology, both for direct military application and for upgrading the economic base which supports the Soviet military establishment. For these reasons, the United States, since at least the Ottawa summit of 1981, had questioned the wisdom of providing the Soviets with advanced equipment—and particularly with subsidized credits—to construct the natural gas pipeline from Siberia to Western Europe. Such a project would provide the Soviets with foreign exchange, enhance their technological capability, and create what we viewed as an unfortunate degree of dependence on energy trade with the Soviet Union.

The dispute over the Polish sanctions highlighted the need for a new consensus within the alliance on East-West economic relations. Our sanctions on oil and gas equipment, as you know, were lifted on November 13, 1982. On that day the President also announced that the major industrial nations of the West recognized "the necessity of conducting their relations with the USSR and Eastern Europe on the basis of a global and comprehensive policy designed to serve their common fundamental interests." As a result, a consensus was reached with our allies:

—First, not to engage in trade arrangements which contribute to the military or strategic advantage of the Soviet Union.

—Second, not to give preferential aid to the heavily militarized Soviet economy.

—And third, not to sign any new natural gas contracts with the Soviet Union, pending a new alliance study on energy alternatives.

We also agreed to strengthen existing controls on the transfer of strategic items to the USSR, and to examine whether our collective security requires new controls on certain kinds of high technology not currently controlled, including oil and gas equipment. And we agreed to work toward harmonizing our export credit policies.

There is an important lesson here, and indeed it is the main theme I want to put before you tonight. When these disputes over jurisdiction turn out to be grounded in disputes over policy, the most effective solution is a major effort to harmonize our policies. This may not make the legal disputes go away, but it will surely make them less divisive. The democratic nations have an even deeper interest in resolving these policy conflicts—not only to make lawyers' lives easier but to preserve the political unity of the Western alliance. And that alliance is, without exaggeration, the foundation of the legal, economic, and political system of the democratic West.

In the coming decades, the problem of maintaining allied cohesion over foreign policy will not necessarily become easier.

In the early years of the postwar period, American power was so preponderant within the alliance that our prescriptions very often received ready acceptance from allies weakened by the war and dependent on American economic aid and military protection. Today, our allies are strong, self-confident, and independent-minded. Unanimity will hardly be automatic. The United States still has the responsibility to state its convictions, and act on them, on matters of vital importance to free world security. Harmonizing policies will require determined effort on the part of all.

The United States is prepared to do its part in finding cooperative solutions to the problems I have discussed. We are prepared to be responsive to the concerns of others. If our allies join with us in the same spirit, much can be done.

First of all, the United States will continue to seek to resolve the policy differences that underlie many of these conflicts over jurisdiction. Thus, for example, we will work with our allies toward the goal of a new consensus on the important strategic issue of East-West trade.

Second, the United States can seek to minimize conflicts by shaping and applying appropriate guidelines to govern assertions of authority over conduct abroad where those assertions conflict with foreign law. The American Law Institute is now considering a third draft *Restatement of Foreign Relations Law*. The draft now gives a prominent place to the balancing of competing state interests in determining the existence of jurisdiction over foreign conduct. We in the Department of State are not altogether satisfied with making a balancing test the prerequisite to the *existence* of jurisdiction. As a practical matter, however, a careful weighing of the interests of the states concerned is obviously a useful procedure and a deterrent to unwarranted conflicts. We welcome the Federal courts' use of a general balancing analysis in private cases like *Timberlane*, *Mannington Mills*, and *Mitsui*. Balancing can certainly help to ensure that decisions affecting significant foreign concerns are not taken lightly.

Third, the United States is making clear its intention to avoid further problems of retroactive application of economic controls. We know that the reliability of contracts is essential to the health and growth of commerce. Last week the President transmitted to Congress legislation to amend and extend the Export Administration Act of 1979. The administration bill strengthens the national security export controls and their enforcement, while at the same time easing some of the problems we have had in the past over foreign policy controls:

—The bill declares explicitly that "it is the policy of the United States, when imposing new foreign policy controls, to minimize the impact on pre-existing contracts and on business activities in allied or other friendly countries to the extent consistent with the underlying purpose of the controls."

—The bill also explicitly recognizes the sanctity of contracts as a limitation which will insulate many existing contracts from disruption by new foreign policy export controls. Specifically, the bill protects existing sales contracts [that] require delivery within 270 days from the imposition of controls, unless the President determines that a prohibition of such exports is required by the "overriding national interest" of the United States.

—To strengthen enforcement of the national security export controls, the bill authorizes restrictions on future imports into the United States of goods or technology from persons abroad who violate these controls. Controls on imports into the United States by particular foreign violators are obviously territorial and therefore are clearly within our jurisdiction under international law.

Fourth, the administration is seeking other legislative changes that will indirectly, but we hope effectively, reduce the significance of conflicts of jurisdiction. The Justice Department, for example, has recently proposed amendments to the Clayton Antitrust Act to allow treble damages only in cases of per se violations. While these amendments would continue to permit treble-damage suits in cases of cartelization, they would reduce some friction concerning U.S. policy in such areas as regulation of vertical relationships, including supplier/purchaser relationships.

Fifth, the Departments of State and Justice are considering further statutory proposals to address problems arising in the international context from private treble-damage actions. I do not mean to criticize any particular past cases or to suggest any outcome for any cases now before the courts. Nevertheless, we are exploring

ways of ensuring that private antitrust cases posing conflicts of jurisdiction are indeed consonant with the overall public interest. The Attorney General's actions in this area are informed by considerations of international comity and balancing. When private attorneys-general act, similar considerations should be applied.

Sixth, we are seeking to expand the practice of prior notice, consultation, and cooperation with foreign governments wherever regulatory, enforcement, or investigative actions raise a danger of conflicts. The Antitrust Division and the Federal Trade Commission have pioneered in the practice of routinely providing advance notice to other governments of their actions affecting foreign parties. Such consultation is carried out either pursuant to multilateral guidelines developed in the Organization for Economic Cooperation and Development (OECD) or under bilateral agreements with particular countries.

Seventh, in a related vein, we will be seeking procedures whereby regulatory, investigatory, or enforcement actions that substantially involve other countries' interests will be coordinated with the Department of State. The State Department can advise about foreign concerns, suggest procedures for notice to and consultation with foreign governments, and otherwise help agencies do their job without unnecessary collisions with other governments. We are eager to conclude agreements to expedite the exchange of investigatory information, particularly to combat tax evasion. We believe that some international disputes can be avoided or eased by this means.

In some cases, as in our relations with the Securities and Exchange Commission, this kind of arrangement is working well. In other situations, improvement is needed. We therefore will be calling on the agencies concerned to work with us and give us prior notice of actions which pose a potential problem of conflicts of jurisdiction.

These measures will not eliminate the problem of conflicts of jurisdiction. But the United States is eager to do what it can to minimize such problems in the future. We value our relations with our partners.

Any one of our countries may, on some occasion in the future, feel that its national interest or public policy cannot be served without an assertion of jurisdiction which leads to a disagreement with its partners. The complexity of the modern interdependent world, and the reality of greater equality among the major industrial nations, make these occurrences almost inevitable.

The problem is ripe for creative legal thinking. It also calls for statesmanship to ensure that the fundamental political and moral unity of the democracies is not torn by disputes over policy.

All of the industrial democracies face the same larger responsibility: How do we reconcile our sovereign independence as nations with the imperative of our unity as allies? How do we balance our interest in expanding trade and jobs and prosperity with our interest in not contributing to the growth of Soviet power?

Once again the great enterprise of the law touches upon some of the most profound questions of our national and international life.

Document 3

Commencement Address by the Secretary of State (Shultz) at Stanford University, Stanford, California, June 12, 1983 [9]

The Responsibility of the Democracies

"Commencement" says that something new is about to begin, just as something else ends. Don't worry about it too much—you can still have fun in the real world. And if someone tells you it means a sharp transition from the world of learning to the world of work, don't believe it. The transition is more apparent than real.

The week before last, for example, I happened to meet with an extraordinary American, our Ambassador to the Federal Republic of Germany, Arthur Burns. He's full of information and ideas about Germany, the Atlantic alliance, the American

[9] Source: Department of State Press Release 209, June 13, 1983; also printed in Department of State *Bulletin*, July 1983, pp. 63–65.

economy, and dozens of other subjects. He's lively and well and full of the future. He's 79 years old. He has been taking German lessons over the past 18 months. He's never stopped learning.

The message is that this habit of learning is a habit that will sustain you throughout your life.

An old saw has it that experience itself is the best teacher. I can mention this now that you have already paid your Stanford tuition. But the old saw is only a half-truth. Just as scientists say that luck is something that comes to the prepared, experience teaches only those capable of grasping its meaning. So, make use of the gifts Stanford has given you: the habits of careful observation, of an analytical ordering of what you see, of living with ambiguity and waiting for the evidence before reaching conclusions—the quality of mind that enables you truly to learn from experience.

Societies too must learn and remember, if they are to maintain their vitality and confront the future.

In recent weeks, much of my time has been devoted to this country's relations with our closest friends and allies, the great democratic nations of the Atlantic Community and Japan. A month ago, I attended a meeting in Paris of the Organization for Economic Cooperation and Development (OECD), the descendant of the international agency that, 35 years ago, administered the Marshall Plan. Two weeks ago, I joined President Reagan in Williamsburg at the economic summit with leaders of our major industrial partners. And this past Thursday and Friday, in Paris, I took part in the semi-annual meeting of Foreign Ministers of the North Atlantic alliance.

As Dean Acheson said about the alliance, this unity "is not an improvisation. It is a statement of the facts and lessons of history."

When the Atlantic alliance was founded in 1949, the allies showed they had learned a lesson from the period before World War II—when the democracies had lacked the will to come together in the face of danger, when they had tried to evade their responsibility of maintaining their strength and permitted a dangerous imbalance of power to develop. Eventually they were forced to respond, but it was at a cost of millions of lives that might have been spared had they taken bold but prudent action beforehand. When the Atlantic alliance was formed, the purpose was to prevent war by ensuring that the cohesion, strength, and collective will of the democracies would never again be doubted by any adversary.

The alliance has succeeded in preventing war. Indeed, since its formation, the only use of military force on the Continent of Europe has been by the Soviet Union against its own "allies." But experience has also taught that the unity of the free nations is central to the achievement of any of our goals: peace, freedom, security, prosperity.

I want to say a few words now about how the democracies, learning from the "facts and lessons of history," are responding today to a new set of challenges—in the realms of political affairs, economics, and security.

The first lesson is that what the democracies have in common is of overriding importance to us and to others throughout the world. Our common heritage gives us a common responsibility.

American students graduating today have many worries, I am sure. You must be anxious about your careers and your future. Yet there is one category of worries that I daresay you do not have. You are not concerned that the threat of imprisonment or torture hangs over you if you say or write or do the "wrong" thing. You have no fear of the policeman's midnight knock on the door. Considering how few democracies there are in this world, what we have in common with our allies is therefore something precious: systems of constitutional, representative government; systems of law that guarantee basic political and civil rights and freedoms; open economic systems that give free rein to individual talent and initiative.

Most alliances in history have not lasted. The fact that the democracies have been held together by ties of political, economic, and security cooperation for more than three decades, through many profound changes in international conditions, is proof, I believe, that our unity of shared values and common purpose is something special. At the same time, the grim lesson of history should warn us that even this great coalition will not survive without conscious effort and political commitment. Those statesmen who were "present at the

creation" in the immediate postwar period showed enormous vision and courage. In a new era in history, it is up to all of us to summon the same vision and courage to assure that it survives and flourishes.

Therefore it is of enormous importance that our moral unity is today being so effectively translated into political unity. It is important that old divisions within the alliance are narrowing, as shown by the fact that the Ministerial meeting I just attended was held in Paris for the first time in 17 years. It is important that the alliance is attractive enough for new countries to want to join—the original 12 now number 16. It is important that the 24 industrial democracies grouped in the OECD have worked out a framework for a consensus on the difficult issue of East–West trade, based on a thoughtful analysis of the balance of interests in economic relations with Communist systems.

Outside of the formal alliance framework, British, French, and Italian soldiers now stand alongside our Marines protecting Beirut. Our Atlantic allies, Japan, and other countries around the world are supporting our efforts to promote the withdrawal of all external forces from Lebanon. Britain, France, West Germany, Canada, and the United States are working together as a "contact group" to help reach a negotiated arrangement for the independence of Namibia. And all the diverse Williamsburg summit partners—including Japan—joined in an impressive joint statement on security and arms control.

Thus, for all our occasional squabbles, the democratic nations have not forgotten the paramount importance of the values and interests we have in common.

In the economic dimension as well, experience teaches that cooperation is essential. We now live in an interdependent world in which each country's well-being, primarily its own responsibility, is nevertheless affected powerfully by the health of the global economy, for which the industrial democracies bear a special responsibility.

In the 1970's, the plagues of recession, oil shocks, and inflation spread across national boundaries. The impact was not only economic but political. There was great concern that these ills would weaken not only Western economies but the cohesion of Western societies. If democratic governments proved unable to deal effectively with their economic problems, societies would be under continuing strain, social divisions would be aggravated, and we might have faced a demoralizing crisis of democracy. Increasing resort to protectionism, choking off world trade and compounding the recession, could have undermined relations between allies. These political divisions, as well as budgetary pressures, threatened to weaken the common defense.

The free nations had learned, however, from the experience of the 1930's, when the failure of cooperation gave birth to widespread protectionism, which deepened the Great Depression. This time the free nations began the practice of holding yearly economic summits and intensified their cooperation in many other forums, multilateral and bilateral.

As the Williamsburg Declaration testifies: "The recession has put our societies through a severe test, but they have proved resilient." Rather than economic stagnation, we are seeing the impressive capacity of open economies to regain their vitality. Growth with low inflation has resumed in the United States, Japan, West Germany, Britain, and other countries which together account for about three-quarters of the production of the industrialized world. If we have truly wrung inflation out of our system, and if we all maintain discipline in our national policies, the world could be headed for a long period of sustained noninflationary growth. Those are big "ifs," I know, but our experience should tell us that the job can be done and that we will be much better off as we do it.

It is essential that we resist protectionism, which could hinder this recovery. The Williamsburg summit partners candidly acknowledged to each other that every country's record is spotty on this score. But they committed themselves "to halt protectionism, and as recovery proceeds to reverse it by dismantling trade barriers." New efforts of trade liberalization would be especially beneficial to the developing countries: In 1980, their export earnings of $580 billion amounted to 17 times their net receipts from foreign aid.

For all our temporary setbacks, the free economies have brought about since 1945 an era of growth and prosperity unprecedented in history. On the Eastern side of the divided continent of Europe, econom-

ic problems are systemic. Inefficiencies are built-in; innovation is inhibited; effective economic reforms are excluded because they would weaken the grip of centralized Soviet political control. In contrast, our economic difficulties are largely problems of self-discipline, of better management of fiscal and monetary policy to permit the inherent vitality of the free economic system to show its power. The weakness of Soviet-style economies is structural. We have reason for confidence, for our economic future is in our own hands.

Unfortunately, the Soviet system is very proficient in another sphere: the accumulation of military power. Therefore, security must remain a priority area of cooperation.

If the values and interests we have in common are truly precious to us, then we have a duty to defend them.

The summit partners at Williamsburg made very clear that they have learned this lesson. Let me read to you from their joint declaration:

> "As leaders of our seven countries, it is our first duty to defend the freedom and justice on which our democracies are based. To this end, we shall maintain sufficient military strength to deter any attack, to counter any threat and to ensure the peace. . . . The security of our countries is indivisible and must be approached on a global basis. . . . We have a vision of a world in which the shadow of war has been lifted from all mankind, and we are determined to pursue that vision." [10]

In an age of nuclear weapons, maintaining collective security is no easy task. "A nuclear war cannot be won, and must never be fought." That's a quote from Ronald Reagan. Our challenge is really twofold: We must both defend freedom *and* preserve the peace. We must seek to advance those moral values to which this nation and its allies are deeply committed. And we must do so in a nuclear age in which a global war would thoroughly destroy those values. As the President pointed out in Los Angeles on March 31, our task is "one of the most complex moral challenges ever faced by any generation."

We and our allies have agreed for decades on a twofold strategy for meeting this challenge. First, we are committed to ensuring the military balance, modernizing our forces, and maintaining vigilance. Second, we are prepared for and committed to constructive dialog with our adversaries, to address the sources of tension, resolve political conflicts, and reduce the burden and danger of armaments.

We cannot find security in arms alone. We are willing to negotiate differences—but we cannot do so effectively if we are weak, or if the Soviet Union believes it can achieve its objectives without any compromise. Therefore, both these tracks—strength and diplomacy—are essential.

Unfortunately, the democratic nations have tended to neglect their defense responsibilities. Some serious problems have resulted and are now coming home to roost. They underlie many of the current controversies. In the 1970's, the trauma of Vietnam caused the United States to reduce its armed forces and reduce real defense spending, at the same time that the Soviet Union, in the wake of the Cuban missile crisis, was embarked on a relentless buildup in all categories of military power, strategic, conventional, and naval. Once the United States lost its unquestioned strategic superiority over the Soviet Union, NATO's defense—which relies on the commitment of American strategic power—became much more complicated. Yet NATO conventional forces continue to be inadequate. Ironically, NATO's success in keeping the peace in Europe for more than three decades leads some to take peace for granted and to forget the crucial role NATO has played in guaranteeing it.

The unprecedented expansion of Soviet power over the past two decades cannot be ignored or rationalized away. Any President, any administration, would be forced to respond. We have seen too often that an imbalance of power is an invitation to conflict. Therefore this administration, and our allies, are committed to maintenance of the military balance, in Europe and globally. Surely the burden of proof is on those who would undo the present military balance, or alter it, or conduct risky experiments with unilateral concessions without genuinely reducing the levels of armaments on both sides.

At the same time, experience teaches that a balance of power, though necessary, is not sufficient. Our strength is a means to an end; it is the secure foundation for

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[10] See document 78.

our effort to build a safer, more peaceful, and more hopeful world. On the basis of strength, the cohesion of our alliances, and a clear view of our own objectives, we must never be afraid to negotiate.

This is our attitude to arms control. As NATO decided in December 1979, for example, we intend to modernize our intermediate-range nuclear forces in Europe to counter the Soviet deployment of over 1,000 nuclear warheads on their new intermediate-range missiles (SS–20's).[11] But we are also willing to eliminate this entire category of nuclear weapons from the face of the Earth; and we are prepared, as an interim step, to reduce these forces to any equal, verifiable level.

If negotiations do not succeed, however, we must be prepared to deploy at the end of this year as decided in 1979. The Soviet Union has no higher-priority goal at the moment than to intimidate NATO into cancelling its deployments unilaterally, thereby leaving the Soviet Union with its massive monopoly of new missiles and warheads already in place. As the summit partners made unanimously clear at Williamsburg, the alliance cannot, and will not, permit this to happen.

At Williamsburg and at NATO, we saw an impressive consensus on security and arms control. This is a firm ground for confidence that war will be deterred, that stability will be maintained, and that we will have a chance at least to reach reliable agreements making the world that you inherit a safer place.

The final lesson I want to leave you with is this: Experience teaches us that nothing is foreordained. Nations, like individuals, have choices to make. History is filled with many examples of nations and individuals that made the wrong choices; there are also many examples of foresight, wisdom, and courage.

Democracies are sometimes slow to awaken to their challenges. But once they are aroused, no force on Earth is more powerful than free peoples working together with clear purpose and determination.

Therefore, I have confidence in the future. You new graduates, with your energy, talent, and creativity, represent the promise of that future. Few others are so fortunate. Few others have such a responsibility.

And now, my congratulations to you, to your parents, and to Stanford, and my very best wishes to all of you.

[11] The decision to modernize NATO's long-range theater nuclear forces was announced in a communiqué issued at a special meeting of NATO Defense Ministers in Brussels on December 12, 1979. For text, see *American Foreign Policy: Basic Documents, 1977–1980*, pp. 494–496.

Document 4

Address by President Reagan Before the 38th Session of the U.N. General Assembly, September 26, 1983[12]

The U.N. Charter and the U.S. Commitment to Peace

Mr. Secretary-General, Mr. President, distinguished delegates, ladies and gentlemen of the world.

Thank you for granting me the honor of speaking today, on this first day of general debate in the 38th Session of the General Assembly. Once again I come before this body preoccupied with peace. Last year I stood in this chamber to address the Special Session on Disarmament.[13] I have come today to renew my nation's commitment to peace. And I have come to discuss how we can keep faith with the dreams that created this organization.

The United Nations was founded in the aftermath of World War II to protect future generations from the scourge of war, to promote political self-determination and global prosperity, and to strengthen the bonds of civility among nations. Founders sought to replace a world at war with a world of civilized order. They hoped that a world of relentless con-

[12] Source: White House Press Release, September 26, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, October 3, 1983, pp. 1325–1330. The President spoke at 10:34 a.m. in the General Assembly Hall at U.N. Headquarters.

[13] For text of President Reagan's address, June 17, 1982, see *American Foreign Policy: Current Documents, 1982*, p. 153.

flict would give way to a new era, one where freedom from violence prevailed.

Whatever challenges the world was bound to face, the founders intended this body to stand for certain values, even if they could not be enforced, and to condemn violence, even if it could not be stopped. This body was to speak with the voice of moral authority. That was to be its greatest power.

But the awful truth is that the use of violence for political gain has become more, not less, widespread in the last decade. Events of recent weeks have presented new, unwelcome evidence of brutal disregard for life and truth. They have offered unwanted testimony on how divided and dangerous our world is, how quick the recourse to violence.

What has happened to the dreams of the U.N.'s founders?

What has happened to the spirit which created the United Nations?

The answer is clear: Governments got in the way of the dreams of the people. Dreams became issues of East versus West. Hopes became political rhetoric. Progress became a search for power and domination. Somewhere the truth was lost that people don't make wars, governments do.

And today in Asia, Africa, Latin America, the Middle East, and the North Pacific, the weapons of war shatter the security of the peoples who live there, endanger the peace of neighbors and create ever more arenas of confrontation between the great powers. During the past year alone, violent conflicts have occurred in the hills around Beirut, the deserts of Chad and the Western Sahara, in the mountains of El Salvador, the streets of Suriname, the cities and countryside of Afghanistan, the borders of Kampuchea, and the battlefields of Iran and Iraq.

We cannot count on the instinct for survival to protect us against war; despite all the wasted lives and hopes that war produces, it has remained a regular, if horribly costly, means by which nations have sought to settle their disputes or advance their goals.

And the progress in weapons technology has far outstripped the progress toward peace. In modern times, a new, more terrifying element has entered into the calculations—nuclear weapons. A nuclear war cannot be won and it must never be fought. I believe that if governments are determined to deter and prevent war, there will not be war. Nothing is more in keeping with the spirit of the U.N. Charter than arms control.

When I spoke before the Second Special Session on Disarmament, I affirmed the United States Government's commitment, and my personal commitment, to reduce nuclear arms, and to negotiate in good faith toward that end.

Today, I reaffirm those commitments. The United States has already reduced the number of its nuclear weapons worldwide and, while replacement of older weapons is unavoidable, we wish to negotiate arms reductions, and to achieve significant, equitable, verifiable arms control agreements. And let me add, we must ensure that world security is not undermined by the further spread of nuclear weapons. Nuclear nonproliferation must not be the forgotten element of the world's arms control agenda.

At the time of my last visit here, I expressed hope that a whole class of weapons systems—the longer-range INF, intermediate [-range] nuclear forces—could be banned from the face of the Earth. I believe that to relieve the deep concern of peoples in both Europe and Asia, the time was ripe, for the first time in history, to resolve a security threat exclusively through arms control. I still believe the elimination of these weapons—the zero option—is the best, fairest, most practical solution to the problem. Unfortunately, the Soviet Union declined to accept the total elimination of this class of weapons.

When I was here last, I hoped that the critical strategic arms reduction talks would focus, and urgently so, on those systems that carry the greatest risk of nuclear war—the fast-flying, accurate, intercontinental ballistic missiles which pose a first strike potential. I also hoped the negotiations could reduce by one-half the number of strategic missiles on each side and reduce their warheads by one-third. Again, I was disappointed when the Soviets declined to consider such deep cuts, and refused as well to concentrate on these most dangerous destabilizing weapons.

Despite the rebuffs, the United States has not abandoned and will not abandon

the search for meaningful arms control agreements. Last June, I proposed a new approach for the START negotiations.[14] We did not alter our objective of substantial reductions, but we recognized that there are a variety of ways to achieve this end. During the last round of Geneva talks, we presented a draft treaty which responded to a number of concerns raised by the Soviet Union. We will continue to build upon this initiative.

Similarly, in our negotiations on intermediate-range nuclear forces, when the Soviet leaders adamantly refused to consider the total elimination of these weapons, the United States made a new offer. We proposed, as an interim solution, some equal number on both sides between one and—zero and 572. We recommended the lowest possible level.

Once again, the Soviets refused an equitable solution and proposed instead what might be called a "half-zero option"—zero for us, and many hundreds of warheads for them. That is where things stand today, but I still haven't given up hope that the Soviet Union will enter into serious negotiations.

We are determined to spare no effort to achieve a sound, equitable, and verifiable agreement. And for this reason, I have given new instructions to Ambassador Nitze in Geneva, telling him to put forward a package of steps designed to advance the negotiations as rapidly as possible. These initiatives build on the interim framework the United States advanced last March, and address concerns that the Soviets have raised at the bargaining table in the past. Specifically:

First, the United States proposes a new initiative on global limits. If the Soviet Union agrees to reductions and limits on a global basis, the United States for its part will not offset the entire Soviet global missile deployment through U.S. deployments in Europe. We would, of course, retain the right to deploy missiles elsewhere.

Second, the United States is prepared to be more flexible on the content of the current talks. The United States will consider mutually acceptable ways to address the Soviet desire that an agreement should limit aircraft as well as missiles.

Third, the United States will address the mix of missiles that would result from reductions. In the context of reductions to equal levels, we are prepared to reduce the number of Pershing II ballistic missiles as well as ground-launched cruise missiles.

I have decided to put forward these important initiatives after full and extensive consultations with our allies, including personal correspondence I've had with the leaders of the NATO governments and Japan and frequent meetings of the NATO Special Consultative Group. I have also stayed in close touch with other concerned friends and allies. The door to an agreement is open. It is time for the Soviet Union to walk through it.

I want to make an unequivocal pledge to those gathered today in this world arena. The United States seeks and will accept any equitable, verifiable agreement that stabilizes forces at lower levels than currently exist. We're ready to be flexible in our approach, indeed, willing to compromise. We cannot, however, especially in light of recent events, compromise on the necessity of effective verification.

Reactions to the Korean airliner tragedy are a timely reminder of just how different the Soviets' concept of truth and international cooperation is from that of the rest of the world. Evidence abounds that we cannot simply assume that agreements negotiated with the Soviet Union will be fulfilled. We negotiated the Helsinki Final Act, but the promised freedoms have not been provided, and those in the Soviet Union who sought to monitor their fulfillment languish in prison. We negotiated a Biological Weapons Convention, but deadly yellow rain and other toxic agents fall on Hmong villages and Afghan encampments. We have negotiated arms agreements, but the high level of Soviet encoding hides the information needed for their verification. A newly discovered radar facility and a new ICBM raise serious concerns about Soviet compliance with agreements already negotiated.

Peace cannot be served by pseudo arms control. We need reliable, reciprocal reductions. I call upon the Soviet Union today to reduce the tensions it has heaped on the world in the past few weeks and to show a firm commitment to peace by coming to the bargaining table with a new understanding of its obligations. I urge it to match our flexibility. If the Soviets sit down at the bargaining table seeking gen-

[14] See document 42.

uine arms reductions, there will be arms reductions. The governments of the West and their people will not be diverted by misinformation and threats. The time has come for the Soviet Union to show proof that it wants arms control in reality, not just in rhetoric.

Meaningful arms control agreements between the United States and the Soviet Union would make our world less dangerous; so would a number of confidence-building steps we've already proposed to the Soviet Union.

Arms control requires a spirit beyond narrow national interests. This spirit is a basic pillar on which the United Nations was founded. We seek a return to this spirit. A fundamental step would be a true nonalignment of the United Nations. This would signal a return to the true values of the Charter, including the principle of universality. The members of the United Nations must be aligned on the side of justice rather than injustice, peace rather than aggression, human dignity rather than subjugation. Any other alignment is beneath the purpose of this great body and destructive of the harmony that it seeks. What harms the Charter harms peace.

The founders of the United States [*United Nations*] expected that member nations would behave and vote as individuals, after they had weighed the merits of an issue—rather like a great, global town meeting. The emergence of blocs and the polarization of the United Nations undermine all that this organization initially valued.

We must remember that the nonaligned movement was founded to counter the development of blocs and to promote détente between them. Its founders spoke of the right of smaller countries not to become involved in others' disagreements. Since then, membership in the nonaligned movement has grown dramatically, but not all the new members have shared the founders' commitment of genuine nonalignment. Indeed, client governments of the Soviet Union, who have long since lost their independence, have flocked into the nonaligned movement, and once inside have worked against its true purpose. Pseudo nonalignment is no better than pseudo arms control.

The United States rejects as false and misleading the view of the world as divided between the empires of the East and West. We reject it on factual grounds. The United States does not head any bloc of subservient nations, nor do we desire to. What is called the West is a free alliance of governments, most of whom are democratic and all of whom greatly value their independence. What is called the East is an empire directed from the center which is Moscow.

The United States, today, as in the past, is a champion of freedom and self-determination for all people. We welcome diversity; we support the right of all nations to define and pursue their national goals. We respect their decisions and their sovereignty, asking only that they respect the decisions and sovereignty of others. Just look at the world over the last 30 years, and then decide for yourself whether the United States or the Soviet Union has pursued an expansionist policy.

Today, the United States contributes to peace by supporting collective efforts by the international community. We give our unwavering support to the peacekeeping efforts of this body, as well as other multilateral peacekeeping efforts around the world. The United Nations has a proud history of promoting conciliation and helping keep the peace. Today, U.N. peacekeeping forces or observers are present in Cyprus and Kashmir, on the Golan Heights and in Lebanon.

In addition to our encouragement of international diplomacy, the United States recognizes its responsibilities to use its own influence for peace. From the days when Theodore Roosevelt mediated the Russo-Japanese War in 1905, we have a long and honorable tradition of mediating or dampening conflicts and promoting peaceful solutions. In Lebanon, we, along with France, Italy, and the United Kingdom, have worked for a cease-fire, for the withdrawal of all external forces, and for restoration of Lebanon's sovereignty and territorial integrity. In Chad, we have joined others in supporting the recognized government in the face of external aggression. In Central America, as in southern Africa, we are seeking to discourage reliance upon force and to construct a framework for peaceful negotiations. We support a policy to disengage the major powers from Third World conflict.

The U.N. Charter gives an important role to regional organizations in the

search for peace. The U.S. efforts in the cause of peace are only one expression of a spirit that also animates others in the world community. The Organization of American States was a pioneer in regional security efforts. In Central America, the members of the Contadora group are striving to lay a foundation for peaceful resolution of that region's problems. In East Asia, the Asian countries have built a framework for peaceful political and economic cooperation that has greatly strengthened the prospects for lasting peace in their region. In Africa, organizations such as the Economic Community of West African States are being forged to provide practical structures in the struggle to realize Africa's potential.

From the beginning, our hope for the United Nations has been that it will reflect the international community at its best. The United Nations at its best can help us transcend fear and violence and can act as an enormous force for peace and prosperity. Working together, we can combat international lawlessness and promote human dignity.

If the governments represented in this chamber want peace as genuinely as their peoples do, we shall find it. We can do so by reasserting the moral authority of the United Nations. In recent weeks, the moral outrage of the world seems to have reawakened.

Out of the billions of people who inhabit this planet, why, some might ask, should the death of several hundred shake the world so profoundly? Why should the death of a mother flying toward a reunion with her family or the death of a scholar heading toward new pursuits of knowledge matter so deeply? Why are nations who lost no citizens in the tragedy so angry?

The reason rests on our assumptions about civilized life and the search for peace. The confidence that allows a mother or a scholar to travel to Asia or Africa or Europe or anywhere else on this planet may be only a small victory in humanity's struggle for peace. Yet what is peace if not the sum of such small victories?

Each stride for peace and every small victory are important for the journey toward a larger and lasting peace. We have made progress. We've avoided another world war. We've seen an end to the traditional colonial era and the birth of a hundred newly sovereign nations. Even though development remains a formidable challenge, we've witnessed remarkable economic growth among the industrialized and the developing nations. The United Nations and its affiliates have made important contributions to the quality of life on this planet, such as directly saving countless lives through its refugee and emergency relief programs. These broad achievements, however, have been overshadowed by the problems that weigh so heavily upon us. The problems are old, but it is not too late to commit ourselves to a new beginning, a beginning fresh with the ideals of the U.N. Charter.

Today, at the beginning of this 38th Session, I solomnly pledge my nation to upholding the original ideals of the United Nations. Our goals are those that guide this very body. Our ends are the same as those of the U.N.'s founders, who sought to replace a world at war with one where the rule of law would prevail, where human rights were honored, where development would blossom, where conflict would give way to freedom from violence.

In 1956, President Dwight Eisenhower made an observation on weaponry and deterrence in a letter to a publisher. He wrote: "When we get to the point, as we one day will, that both sides know that in any outbreak of general hostilities, regardless of the element of surprise, destruction will be both reciprocal and complete, possibly we will have sense enough to meet at the conference table with the understanding that the era of armaments has ended and the human race must conform its actions to this truth or die." He went on to say, ". . . we have already come to a point where safety cannot be assumed by arms alone . . . their usefulness becomes concentrated more and more in their characteristics as deterrents than in instruments with which to obtain victory. . . ."[15]

Distinguished ladies and gentlemen, as we persevere in the search for a more secure world, we must do everything we can to let diplomacy triumph. Diplomacy, the most honorable of professions, can bring the most blessed of gifts, the gift of peace. If we succeed, the world will find

[15] This Eisenhower letter was printed in David S. Broder's column in the *Washington Post*, September 7, 1983, p. A17.

an excitement and accomplishment in peace beyond that which could ever be imagined through violence and war.

I want to leave you today with a message I've often spoken about to the citizens of my own country, especially in times when I felt they were discouraged and unsure. I say it to you with as much hope and heart as I've said it to my own people. You have the right to dream great dreams. You have the right to seek a better world for your people. And all of us have the responsibility to work for that better world. And, as caring, peaceful peoples, think what a powerful force for good we could be. Distinguished delegates, let us regain the dream the United Nations once dreamed. Thank you.

Chapter 2. The Organization and Conduct of American Foreign Policy

Document 5

Prepared Statement by the Deputy Secretary of State (Dam) Before the Senate Foreign Relations Committee, July 28, 1983 [1]

The Legislative Veto

Mr. Chairman and members of the Committee.

I appreciate the opportunity to appear before the Committee this afternoon.

The Supreme Court has now decided, in *INS* v. *Chadha* and two related cases, [2] that the legislative veto is unconstitutional. The Department of State and this Committee both recognize that the Court's historic decision affects a considerable body of legislation in the field of foreign affairs and national security. My principal theme here today is that our two branches of government have a common interest in devising cooperative ways to fulfill our shared responsibilities. We owe the American people a constructive response to the issues we now face.

The Department of State is in the process of reviewing all the legislation with which we deal and which is affected by *Chadha*—the language of the statutes, their legislative history, and the record of executive-legislative relations in working with these statutes.

We have reached some tentative conclusions, which I am happy to share with the Committee. Our review is still continuing, however, and we will keep the Committee informed as we proceed toward firmer judgments.

In The Federalist No. 47, James Madison referred to the separation of powers as "this essential precaution in favor of liberty." The genius of our constitutional system is that a structure of dispersed powers and checks and balances, designed to limit government power and preserve our freedom, has also been able to produce coherent and effective national policy. This success is a tribute to the Founding Fathers who built the structure; it is also a tribute to the generations of leaders and statesmen since then who have put the nation's well-being first and foremost as they played their constitutional roles in the various branches of government. As Justice White acknowledged in his dissent in *Chadha*, "the history of the separation of powers doctrine is also a history of accommodation and practicality."

The administration is prepared to work with the Congress in this spirit.

First, I would like to review with you the history of the legislative veto—what it is, how it has worked—and then the *Chadha* decision itself and its consequences.

Finally, I shall discuss the impact of that decision on some of the statutes that are of particular concern to the Department of State and to this Committee.

"Legislative veto" is a term describing a variety of statutory devices that were meant to give the Congress legal control over actions of executive departments and agencies by means other than the enactment of laws. Legislative veto provisions have been included in statutes for more than 50 years. The procedure was first passed into law in the Act of June 30, 1932, [3] which authorized President Hoover to reorganize the structure of the Federal Government subject to congressional review. The device was added to various statutes during World War II, when the Congress delegated greater authority to the President in the area of for-

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[1] Source: *Legislative Veto: Arms Export Control Act: Hearing Before the Committee on Foreign Relations, United States Senate, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 17–22. For full text of Dam's testimony, see *ibid.*, pp. 13–17, 22–35.

[2] *Immigration and Naturalization Service* v. *Chadha*, No. 80–1832 (U.S. June 23, 1983); *Process Gas Consumers Group* v. *Consumers Energy Council of America*, Nos. 81–2008 *et al.* (U.S. July 6, 1983), affirming *Consumers Energy Council of America* v. *FERC*, 673 F. 2d 425 (D.C. Cir. 1982), and *Consumers Union, Inc.* v. *FTC*, 691 F. 2d 575 (D.C. Cir. 1982). [Footnote in the source text.]

[3] P.L. 72–212, approved June 30, 1932; for text, see 47 Stat. 382.

eign affairs and national security, subject to the legislative veto procedure. Enactment of the procedure became frequent again in the 1960's and 1970's, as Congress sought to strengthen its oversight over the expanding practice of rulemaking by administrative agencies. Adoption of the legislative veto procedure reached its zenith in the early 1970's, in connection with some major controversies in the area of foreign affairs and national security.

Some of these statutes provide for congressional disapproval of proposed administrative regulations. Some involve review of decisions of individual cases (*Chadha*, for example, involved the suspension of the deportation of a single person), or review of other executive actions under authority granted by statute. Other legislation, such as the War Powers Resolution, [4] involves the allocation of broad constitutional powers.

The legislative vetoes in all these statutes fall into two general categories. First, there are those in which the full Congress, or one House or one committee, is purportedly given a right to "veto" an administrative action. A typical statute of this kind requires the President to report an action or rule to both Houses of Congress. The executive action may not be made or take effect until after a fixed period (60 days, for example). If Congress does not act during the period, the executive action can take effect, but if the Congress disapproves (or one House or committee, as the statute may provide), it does not take effect. Second, there are statutory schemes by which an administrative action purportedly becomes valid only when approved by Congress. The typical statute of this kind requires the President to report a proposed action and then provides for affirmative approval by one or two Houses of the Congress. Most legislative vetoes, like the one in *Chadha*, fall within the first category.

The case of *INS* v. *Chadha* involved a section of the Immigration and Nationality Act. [5] That statute permitted the Attorney General to allow a deportable alien to remain in the United States, suspending an otherwise valid deportation order. This suspension authority, however, was subject to disapproval by a simple resolution of either House of Congress. The Attorney General suspended Mr. Chadha's deportation, but the House of Representatives disapproved. Chadha brought suit; the Supreme Court held the congressional veto to be unconstitutional. The rationale of the Court's holding was that legislative actions, to be valid, must follow the course prescribed in the Constitution: approval by both Houses and "presentment" to the President. Thus the Court's decision in *Chadha* invalidates not only the "one-House veto" but the "two-House veto" and "committee veto" as well, a point confirmed by the Court's subsequent summary decisions of July 6. Those statutes which provide for congressional action by *joint* resolution—passed by both Houses and signed by the President—would not seem to be affected by *Chadha*.

The legislative veto has long been controversial, ever since Woodrow Wilson first vetoed a bill incorporating a legislative veto in 1920.

Since then, most administrations have considered the device unconstitutional, while the Congress has tended to favor it as another useful check on executive authority. This specific controversy is now decided. Yet paradoxically, the *practice* of executive-legislative relations is unlikely to undergo any radical change in the wake of *Chadha*, for several reasons.

For one thing, *Chadha* does not affect other statutory procedures by which the Congress is informed of or involved in actions by the executive branch. Specifically, the Court's decision does not affect statutory requirements for notifications, certifications, findings or reports to Congress, consultations with Congress, or waiting periods which give Congress an opportunity to act before executive actions take effect. In the foreign affairs field, moreover, the executive branch and the Congress have generally reconciled or disposed of controversies and differences without resort to the process of legislative veto. Therefore, we see no reason why the Court's decision need cause a fundamental change in our relationship.

The administration is prepared to work closely with the Congress to resolve any questions or problems that may arise as a result of the *Chadha* decision. And we hope that Congress will act in the same spirit of cooperation.

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[4] P.L. 93-148, approved November 7, 1973; for text, see 87 Stat. 555.

[5] P.L. 82-414, approved June 27, 1952; for text, see 66 Stat. 163.

Perhaps the key legal question raised by *Chadha* is that of "severability." The problem is an intriguing one: Since the legislative veto provision of a statute is unconstitutional, is any of the rest of the law tainted by that defect?

The Supreme Court has given us a basis for answering that question. The general principle is that the provision containing the legislative veto will be found to be severable, and the remainder of the statute will continue unaffected, unless it is evident that the Congress would not have enacted the remainder of the law without the legislative veto. That test establishes a strong presumption in favor of severability.

The Court has also given us some additional guidelines. There is a further presumption of severability, first of all, if the statute contains an express "severability clause." Several of the statutes with which we deal—including the War Powers Resolution and the Atomic Energy Act, [6] for example—contain such severability clauses. Second, the legislative veto is also presumed to be severable if the legislative program in question is "fully operative as a law" without the veto provision. In the statutes with which we are dealing, this seems generally to be the case. These statutes often establish a system under which the executive branch is empowered to make or implement a decision 30 or 60 days later unless the Congress chooses to intervene.

In foreign affairs cases to date, in the absence of formal congressional action, the executive determination has proceeded, although congressional views have always been taken fully into account. This pattern clearly indicates that these statutes are capable of independent operation with no further congressional action.

There are more than a dozen statutes in the foreign affairs and national security area that are affected by the *Chadha* decision. I would say that four statutes or groups of statutes are of particular importance. These are arms export controls, the War Powers Resolution, nuclear nonproliferation controls, and trade controls related to emigration. Let me discuss these in turn.

Arms Export Control.—First, arms export controls. I know this subject is of pressing concern to this Committee. It is also of importance to the administration, because of the importance of such transactions to the security of friendly countries and to our political relations with friendly countries.

Under the *Chadha* decision, we believe that the procedures for legislative vetoes in several sections of the Arms Export Control Act [7] are not valid, but that the reporting and waiting periods remain. The Court decision in no way alters the elaborate structure of reporting, consultation, and collaboration that the executive branch and the Congress have worked out over recent years to ensure effective congressional oversight.

Under the Arms Export Control Act, for example, we have regularly and formally notified the Congress of proposed sales under the Foreign Military Sales program and of proposed licenses of arms exports sold through commercial channels. We also provide the Congress with additional advance notification of many of those transactions. As a matter of practice and accommodation, we have agreed to provide the Congress with informal pre-notifications of proposed sales under the FMS program before the final notice is submitted. This procedure, which is not in the statute, has given Congress the opportunity to review and comment upon proposed transactions informally and privately before the executive branch makes a formal public commitment.

In addition, under the Javits amendment, [8] we submit an annual Arms Sales Proposal covering all FMS sales and commercial exports above certain thresholds which are considered eligible for approval during the current calendar year, as well as an indication of which ones are most likely to result in a letter of offer or an export license. We also provide, under Section 28 of the Act, quarterly reports of each "price and availability" estimate provided to a foreign country, together with a list of requests received from a foreign country for a letter of offer to sell defense articles and services.

[6] P.L. 83-703, approved August 30, 1954, for text, see 68 Stat. 919.

[7] P.L. 94-329, approved June 30, 1976, for text, see 90 Stat. 734.

[8] P.L. 95-384, approved September 26, 1978, for text, see 92 Stat. 740.

Thus, the Congress has received and will continue to receive annual, quarterly, and case-by-case information, formal and informal, on all actual and potential arms sales. In the last 3 years we have sent up more than 240 formal reports of intended arms sales—110 in fiscal year 1981, 90 in fiscal year 1982, and 41 in fiscal year 1983 to date. In addition, three informal notifications are currently before you. While Congress has never disapproved any proposed arms sale, the administration has on occasion modified the terms of a proposal in light of congressional concerns. We have done so even though the executive branch has long considered the legislative veto to be unconstitutional.

I think the record speaks for itself. The executive branch does not live in a vacuum, and we are acutely aware of the need for consultation and cooperation in this sensitive area of arms exports. Our foreign policy and national interest require that a President, any President, be able to use this important policy instrument effectively, flexibly, and, I might add, responsibly. We recognize the necessity of congressional oversight. As in any other important area of national policy, both Congress and the Executive have a heavy responsibility to work together in the national interest.

War Powers Resolution.—Next, the War Powers Resolution. The War Powers Resolution contains four major operative parts. The first of these is a consultation requirement. In Section 3 of the Resolution, the President is required to consult with the Congress "in every possible instance" before United States armed forces are introduced into hostilities or into situations where imminent involvement in such hostilities is clearly indicated by the circumstances. And the President is to consult regularly while the forces remain in such situations.

The second operative part is a reporting requirement. In Section 4(a) of the resolution, the President is required to make a formal report to Congress in any case in which United States armed forces are introduced—

> "(1) into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances;
>
> "(2) into the territory, airspace or waters of a foreign nation, while equipped for combat, except for deployments which relate solely to supply, replacement, repair, or training of such forces; or
>
> "(3) in numbers which substantially enlarge United States Armed Forces equipped for combat already located in a foreign nation. . . ."

The third operative part, Section 5(b), requires the President to withdraw U.S. troops not later than 60 days after a report of actual or imminent involvement in hostilities unless the Congress has affirmatively authorized their continued presence.

The fourth operative part is a legislative veto. According to Section 5(c), the President must withdraw U.S. troops introduced into hostilities even before the end of 60 days if the Congress so directs by concurrent resolution.

The first and second provisions of the War Powers Resolution, on consultation and reporting, are in our view unaffected by the *Chadha* decision. We do not intend to change our practice with respect to consultation and reporting.

The fourth provision, which asserted a right of Congress by concurrent resolution to order the President to remove troops engaged in hostilities, is clearly unconstitutional under the Supreme Court's holding in *Chadha.* It must be said, however, that this holding is unlikely to have a significant impact on the way national security policy is conducted. In the decade since the enactment of the War Powers Resolution, no U.S. forces have been committed to long-term hostilities. It is doubtful that Presidents have refrained from such commitments simply because of the legislative veto in the War Powers Resolution; it is equally doubtful that Presidents will now feel freer of restraints because of *Chadha.* The lesson of recent history is that a President cannot sustain a major military involvement without congressional and public support.

The legislative veto provision of the War Powers Resolution is severable from the others, in our view, according to the Supreme Court's test and guidelines. The resolution itself includes a severability clause, and the other operative portions of the resolution need not be affected by the dropping of the veto provision.

The third operative part of the resolution, requiring positive congressional authorization after 60 days, does not fall within the scope of *Chadha*. Its constitutionality is neither affirmed, denied, nor even considered in the *Chadha* decision. As you know, the executive branch has traditionally had questions about this requirement of congressional authorization for Presidential disposition of our armed forces, both in light of the President's Commander-in-Chief power and on practical grounds. Congress, of course, has had a different view. I do not believe that any purpose would be served by debating these questions here, in the abstract. This provision is unlikely to be tested in the near future. Here, too, I want to reaffirm the administration's strong commitment to the principles of consultation and reporting, confident that in a spirit of cooperation the Executive and the Congress can meet future challenges together in the national interest.

Nuclear Non-Proliferation.—Nuclear nonproliferation is another important policy area in which statutes have contained legislative veto provisions. Various sections of the Atomic Energy Act, for example, have provided for a legislative veto of Presidential determinations to permit nuclear exports to foreign countries.

These statutory arrangements typically involve three elements. First, they establish very strict standards limiting the export of nuclear items. Second, they authorize the President to waive certain restrictions and permit exports if he makes certain findings. Third, they have provided for a congressional veto of the Presidential waiver. We consider that those standards and that waiver authority, as well as the statutory requirement of notification to Congress and the observance of a waiting period, continue to be valid. We will continue to wait through the period during which the Congress, in the past, deliberated over its veto; during that time, the Congress may use its constitutional authority to enact new legislation if it chooses. The only provision that is invalid is the third, which permitted a legislative veto by concurrent resolution.

The administration and the Congress share the same concern about nuclear proliferation. We have been active diplomatically in this field, as this Committee well knows. We vigorously oppose the development of nuclear weapons capabilities by additional countries. Each executive branch agency is required to keep the Congress, including this Committee, fully informed of its activities in this field and of significant developments abroad. We have done so, and we are proud of our record of close consultation and collaboration with the Congress. We will continue that practice.

Jackson–Vanik Amendment [9] *and Trade-Related Issues.*—A fourth important statutory area involving a legislative veto is the procedure for granting most-favored-nation treatment (MFN) to certain nonmarket countries. Under the Jackson–Vanik amendment, nondiscriminatory tariff treatment may be granted to these countries only when they comply with certain conditions affecting the right of emigration. These requirements may be waived on the basis of stated findings and determinations by the President.

The annual report required under that statute—for continuation of MFN for Hungary, Romania, and China—is now before the Congress. This report illustrates how we believe Congress and the Executive should continue to work together constructively.

We presented that report to the Congress before the Supreme Court decision was announced, but we would have done precisely the same thing if the *Chadha* decision had been handed down before the report was filed. We regard the report as fully effective to extend the waiver authority and to continue the waivers currently in force. At the same time, legislative oversight hearings serve the salutary purpose of scrutinizing the implementation of statutory requirements, of airing public concerns, and of making our nation's deep commitment to human rights known to other nations.

The spirit with which we expect to work with Congress in the future, in all statutory fields, is illustrated by another example. We are required by the Case–Zablocki Act [10] to report executive agreements to the Congress, and we do so regularly. That procedure notifies the Congress of agreements already signed. There is also a procedure for enabling this Committee and the House Foreign Affairs Committee

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[9] P.L. 93–618, approved January 3, 1975; for text, see 88 Stat. 2056.

[10] P.L. 92–403, approved August 22, 1972; for text, see 86 Stat. 619.

to consult with us as to the form of significant international agreements *prior* to their conclusion. This practice was arranged between the Department of State and the Chairman of the two Committees in 1978. It is not required by law, but makes good sense. We will maintain it.

As I have emphasized, little of practical significance need in fact change as a result of the Supreme Court decision. The Department of State is committed to continue working closely with the members and committees of Congress and to take their concerns into account in reaching decisions on issues of policy. If anything, I believe *Chadha* will make the departments and agencies of the executive branch more, not less, conscious that they are accountable for their actions.

There are many basic questions about these separation of powers which the Supreme Court will probably never settle. In that realm our constitutional law is determined, in a sense, as in Britain—by constitutional practice, by political realities, by the fundamental good sense and public conscience of the American people and their representatives. This is how we have always settled these questions, and this is how we, the Executive and the Congress, must approach these problems in the aftermath of *Chadha*.

Our Constitution has proved to be a wise and enduring blueprint for free government. In this period of our history, our Nation faces challenges that the drafters of that document could not have imagined. The Federal Government has the duty to conduct this Nation's foreign policy and ensure its security in a nuclear age, in an era of instantaneous communications, in a complex modern world in which international politics has become truly global. America's responsibility as a world leader imposes on us a special obligation of coherence, vision, and constancy in the conduct of our foreign relations. For this there must be unity in our national government. The President and the Congress must work in harmony, or our people will not have the effective, strong, and purposeful foreign policy which they expect and deserve.

We have seen in the last 15 years that when Congress and the President are at loggerheads, the result can be stalemate and sometimes serious harm to our foreign policy.

We now have an opportunity, all of us, to put much of that past behind us, and to start afresh. We have a chance to shape a new era of harmony between the branches of our government—an era of constructive and fruitful policymaking, of creativity and statesmanship. That is President Reagan's goal and the goal of all of us in his administration.

Thank you.

Chapter 3. National Security Policy

Document 6

Address by President Reagan Before a Joint Session of Congress, January 25, 1983 (Extract) [1]

State of the Union

. . . . . .

But let us turn briefly to the international arena. America's leadership in the world came to us because of our own strength and because of the values which guide us as a society, free elections, a free press, freedom of religious choice, free trade unions, and above all, freedom for the individual and rejection of the arbitrary power of the state.

These values are the bedrock of our strength. They unite us in a stewardship of peace and freedom with our allies and friends in NATO, in Asia, in Latin America, and elsewhere. They are also the values which in the recent past some among us had begun to doubt and view with a cynical eye.

Fortunately, we and our allies have rediscovered the strength of our common democratic values. And we are applying them as a cornerstone of a comprehensive strategy for peace with freedom. In London last year, I announced the commitment of the United States to developing the infrastructure of democracy throughout the world. [2] We intend to pursue this democratic initiative vigorously. The future belongs, not to governments and ideologies which oppress their peoples, but to democratic systems of self-government which encourage individual initiative and guarantee personal freedom. (Applause)

But our strategy for peace with freedom must also be based on strength, economic strength and military strength. A strong American economy is essential to the well-being and security of our friends and allies. The restoration of a strong, healthy American economy has been and remains one of the central pillars of our foreign policy. The progress I have been able to report to you tonight will, I know, be as warmly welcomed by the rest of the world as it is by the American people.

We must also recognize that our own economic well-being is inextricably linked to the world economy. We export over 20 percent of our industrial production and 40 percent of our farmland produces for export. We will continue to work closely with the industrialized democracies of Europe and Japan, and with the International Monetary Fund to insure it has adequate resources to help bring the world economy back to strong, noninflationary growth.

As the leader of the West and as a country that has become great and rich because of economic freedom, America must be an unrelenting advocate of free trade. As some nations are tempted to turn to protectionism, our strategy cannot be to follow them, but to lead the way toward freer trade. To this end, in May of this year America will host an economic summit meeting in Williamsburg, Virginia.

As we begin our third year, we have put in place a defense program that redeems the neglect of the past decade. We have developed a realistic military strategy to deter threats to peace and to protect freedom if deterrence fails. Our armed forces are finally properly paid, after years of neglect are well trained and becoming better equipped and supplied. And the American uniform is once again worn with pride. (Applause) Most of the major systems needed for modernizing our defenses are already underway and we will be addressing one key system, the MX missile, in

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[1] Source: White House Press Release, January 25, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, January 31, 1983, pp. 110–111. For the full text, see *ibid.*, pp. 105–112. The source text is the text as actually delivered. The President spoke at 9:03 p.m. in the House of Representatives. The address was broadcast live on nationwide radio and television.

[2] For text of the President's address in London, June 8, 1982, see *American Foreign Policy: Current Documents, 1982*, pp. 14–20.

consultation with the Congress in a few months.

America's foreign policy is once again based on bipartisanship, on realism, strength, full partnership, in consultation with our allies, and constructive negotiation with potential adversaries. From the Middle East to Southern Africa to Geneva, American diplomats are taking the initiative to make peace and lower arms levels. We should be proud of our role as peacemakers.

In the Middle East last year, the United States played the major role in ending the tragic fighting in Lebanon and negotiated the withdrawal of the PLO from Beirut.

Last September, I outlined principles to carry on the peace process begun so promisingly at Camp David.[3] All the people of the Middle East should know that in the year ahead we will not flag in our efforts to build on that foundation to bring them the blessings of peace. (Applause)

In Central America and the Caribbean Basin, we are likewise engaged in a partnership for peace, prosperity and democracy. Final passage of the remaining portions of our Caribbean Basin Initiative, which passed the House last year, is one of this administration's top legislative priorities for 1983.

The security and economic assistance policies of this administration in Latin America and elsewhere are based on realism and represent a critical investment in the future of the human race. This undertaking is a joint responsibility of the executive and legislative branches. And I'm counting on the cooperation and statesmanship of the Congress to help us meet this essential foreign policy goal.

At the heart of our strategy for peace is our relationship with the Soviet Union. The past year saw a change in Soviet leadership. We're prepared for a positive change in Soviet-American relations. But the Soviet Union must show by deeds as well as words a sincere commitment to respect the rights and sovereignty of the family of nations. (Applause) Responsible members of the world community do not threaten or invade their neighbors. And they restrain their allies from aggression.

For our part, we're vigorously pursuing arms reduction negotiations with the Soviet Union. Supported by our allies, we've put forward draft agreements proposing significant weapon reductions to equal and verifiable lower levels. We insist on an equal balance of forces. And given the overwhelming evidence of Soviet's violations of international treaties concerning chemical and biological weapons, we also insist that any agreement we sign can and will be verifiable. (Applause)

In the case of intermediate-range nuclear forces, we have proposed the complete elimination of the entire class of land-based missiles. We're also prepared to carefully explore serious Soviet proposals. At the same time, let me emphasize that allied steadfastness remains a key to achieving arms reductions. (Applause)

With firmness and dedication, we'll continue to negotiate. Deep down, the Soviets must know it's in their interest as well as ours to prevent a wasteful arms race. And once they recognize our unshakeable resolve to maintain adequate deterrence, they will have every reason to join us in the search for greater security and major arms reductions. When that moment comes—and I'm confident that it will—we will have taken an important step toward a more peaceful future for all the world's people. (Applause)

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[3] Reference is to the President's address in Burbank, California, September 1, 1982; for text, see *ibid.*, pp. 753–757.

Document 7

Prepared Statement by the Secretary of Defense (Weinberger) Before the Senate Armed Services Committee, February 1, 1983[4]

Rebuilding the Nation's Defenses

Mr. Chairman, members of the committee, before I begin a discussion of our de-

[4] Source: *Department of Defense Authorization for Appropriations for Fiscal Year 1984: Hearings Before*

Continued

fense program, let me first say how much I appreciate Congress' support for—indeed, Congress' lead—in rebuilding our defenses. It was Congress that initially set the pace for this effort by appropriating funds above President Carter's budget request for fiscal year 1981. And it is Congress that made it possible for President Reagan to restore the basic readiness of our forces as well as begin our long-term defense modernization program. I know that members of this committee in particular have long been deeply concerned about a dangerous shift in the military balance, and I think I speak for the entire Nation in thanking you for your leadership.

The budget request itself is only the final step in designing our defense program. Before we put numbers to programs, we have determined our overall national security objectives the military threats posed to those objectives, our defense strategy to deal with these military threats and, finally, the forces we require to implement that strategy.

In my testimony last year [5] I focused on the modifications that we had to make to the military strategy and defense posture that we inherited. In some cases, we found that the policies we inherited did not conform to the international realities we faced, and we had to make some changes. Today I want to discuss our entire policy from a broader outlook, considering both the reforms we have made, and the enduring principles from the past that together form the foundation of our current defense policy.

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the Committee on Armed Services, United States Senate, 98th Congress, First Session (Washington, 1983), February 1, 1983, pp. 22–27. These hearings also contain testimony by General John W. Vessey, Jr., Chairman of the Joint Chiefs of Staff; the "Report of the Secretary of Defense Caspar W. Weinberger to the Congress on the FY 1984 Budget, FY 1984 Authorization Request and FY 1984–88 Defense Programs, Feb. 1, 1983;" and "United States Military Posture for FY 1984," prepared by the Organization of the Joint Chiefs of Staff. See also *Defense Department Authorization and Oversight: Hearings Before the Committee on Armed Services, U.S. House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), for additional testimony and documentation in support of the administration's defense budget request.

[5] For Weinberger's statement before the Senate Armed Services Committee, February 2, 1983, see *American Foreign Policy: Current Documents, 1982*, pp. 58–63.

NATIONAL SECURITY OBJECTIVES

At the outset, it may be useful for us to recall that our overall national security objectives, in a very abbreviated form, are:

To deter military attack against the United States, its allies, and other friendly countries.

In the event of a conventional attack, to deny the enemy his objectives and bring a rapid end to the conflict on terms favorable to our interests.

To promote meaningful and verifiable mutual reductions in nuclear and conventional forces.

To inhibit further expansion of Soviet control and military presence.

To avoid subsidizing or supporting the Soviet buildup by preventing, in concert with our allies, the flow of militarily significant technologies and material to the Soviet Union.

THE SOVIET MILITARY THREAT

In assessing our ability to achieve these national security objectives, we recognize that the Soviet Union poses, and for the foreseeable future will continue to pose, the most formidable threat to the United States and our interests. Of course, we recognize that some threats arise independently of the Soviet Union. But, more often than not, the magnitude and persistence of these other threats and our difficulties in countering them are greatly aggravated by Soviet policies, backed by the expanding reach of Soviet military power.

The 20-year Soviet military buildup, coupled with the collective failure of the United States and our allies to make a sufficient response, has resulted in a dangerous shift in the global military balance.

This global military balance has shifted against us because the Soviet Union has outspent and outproduced us for at least a decade. Even when we include the allied efforts of each side, we find that the Warsaw Pact has outspent and outproduced the NATO countries.

[See chart 1: U.S.-Soviet Military Investment.] [6]

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[6] None of the charts is reproduced. All brackets are in the source text.

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As this chart reveals, total Soviet investment in future military capabilities—that is, for weapons and other equipment, construction of military facilities, and research and development—is about double ours.

[See chart 2: U.S.-Soviet Military Investment by Mission Area.]

This aggregate comparison can also be viewed in its component parts. As this chart shows, during 1980–81 Soviet investment in strategic nuclear forces was about three times higher than ours; about 50 percent higher for general purpose forces; and about twice our rate for research and development. This is in stark contrast to the situation 15 years ago.

But, more important than the "input"—what the Soviets spend on defense—is the "output"—the tanks, planes, ships, missiles, and other military hardware they produce and deploy.

[See chart 3: U.S.-Soviet Weapons Production.]

In "Soviet Military Power" we published lists of equipment produced by the Soviet Union.[7] On this chart, however, we are comparing production totals only of equipment added to the inventory of Soviet and U.S. forces to compare actual military capability. If we had used total production figures, which include export equipment, the imbalance would tip even more toward the Soviet Union.

This trend is even more worrisome when one considers that the Soviet Union has also upgraded the quality of its weapons—particularly in conventional forces. The Soviet Union has always fielded greater numbers of conventional weapons which we offset with smaller numbers of more capable equipment. But now we find that the steady growth in Soviet investment has allowed them to produce increasingly more sophisticated weapons such as the potent T–72 tank, accurate air defense weapons, and fighter aircraft capable of operating in all types of weather.

[See chart 4: U.S. Soviet Weapons Production in fiscal year 1984.]

As the next chart illustrates, even though the United States is now increasing its rate of weapons production, the numbers sought for this year will fall far short of the average annual Soviet production.

In submitting this data for your consideration, I want to emphasize that it is not our intention to match the Soviets tank for tank or aircraft for aircraft. Our intention is to regain an effective deterrent against either Soviet conventional or nuclear aggression. We recognize that other factors besides quantitative comparisons affect the military balance. One of the most important of these is that the Soviets have matched their military buildup with military and political expansion into strategically important areas far from the Soviet periphery.

[See chart 5: Soviet Global Power Projection Map.]

As this map shows, the Soviet Union now has:

Acquired security and cooperative agreements in Africa, the Near East, Southeast Asia, and Southwest Asia.

Undertaken massive arms deliveries to Third World countries—double the amount we supplied from 1977–81.

Acquired Cuban, East German, and/or Libyan military proxies in Central America and Africa.

Greatly increased its power projection capabilities.

Expanded its overflight and access rights to operating bases in key parts of the world.

Occupied Afghanistan.

The cumulative effect of the Soviet military buildup and Soviet expansionism has been not only to change the type of attack we might confront and the areas in which we could be attacked, but also to increase greatly the effectiveness of such an attack. The increased size and quality of Soviet forces has enabled them to turn from a defensive force posture to one increasingly structured for offensive use. Their increased naval and power projection capability, coupled with their acquisition of critical footholds in strategic locations throughout the world, enables them to launch and maintain conflict in several theaters simultaneously. Their buildup of nuclear forces, particularly ICBM's, enables them to threaten to destroy a very

[7] U.S. Department of Defense, *Soviet Military Power* (Washington, 1981); a revised edition was published in March 1983.

large part of our force in a first strike, while retaining overwhelming nuclear force to deter any retaliation we could carry out.

DEFENSE STRATEGY

Our defense strategy for dealing with this threat consists of a series of discrete but interrelated elements, some of which have endured for many years, others of which are more recent in origin. It incorporates three main principles:

First, our strategy is defensive. That is to say, it excludes the possibility that the United States would initiate a war or launch a preemptive strike against the forces or territories of other nations.

Second, our strategy is to deter war. The deterrent nature of our strategy is closely related to our defensive stance. We maintain a nuclear and conventional force posture designed to convince any potential adversary that the cost of aggression would be too high to justify an attack.

Third, should deterrence fail, our strategy is to restore peace on favorable terms. In responding to an enemy attack, we must defeat the attack and achieve our national objectives while limiting—to the extent possible and practicable—the scope of the conflict.

To carry out this strategy we have emphasized three vital supporting policies.

First, the United States remains part of, and contributes to, a collective defense posture that incorporates the strength of our allies. The North Atlantic Treaty, the Rio Treaty, the ANZUS Treaty, and our treaties with Korea, the Philippines, and Japan help provide for an effective common defense against external aggression.

Second, to buttress our collective security posture, we maintain forward deployments that, combined with the forces of our allies, provide the first line of conventional defense in Western Europe, Japan, and Korea. In the event of war, we would reinforce these forward-deployed units rapidly.

Third, we seek a flexible force structure that builds on our alliance commitments and forward deployments and provides us a variety of options for quickly responding to unforeseen contingencies in any region where we have vital interests to defend.

THE PROBLEMS WE INHERITED

When the Reagan administration took office, we found inconsistencies between the existing strategy and the forces available to carry out that strategy. Furthermore, that defense program held little promise of providing either the strategy or the force posture necessary to maintain deterrence in future years in light of the changing Soviet threat. Therefore, we had two simultaneous tasks to accomplish. We needed to make our forces ready to fight immediately, should conflict be forced upon us. We also needed to begin long-term improvements to our defense posture so that we would be prepared to meet threats that might arise in the future.

OUR PROGRESS TO DATE—READINESS AND PERSONNEL

In order to have our forces ready to respond to a crisis in the near term, it was necessary to improve quickly the readiness and sustainability of our existing forces. To improve force readiness we have allocated resources for adequate manning and training, maintenance, supplies of spare parts and ammunition. We have increased readiness funding consistently in fiscal year 1981, fiscal year 1982, and fiscal year 1983. To attract and retain qualified men and women in our Armed Forces we increased military pay and bonuses. Military pay was increased by $3.2 billion in fiscal year 1981, $4.5 billion in fiscal year 1982, and $1.5 billion in fiscal year 1983, for an average 11.7 percent pay raise in fiscal year 1981, 14.3 percent in fiscal year 1982, and 4 percent in fiscal year 1983.

As a result of these efforts by the administration and Congress, the readiness of our forces has already improved substantially across the board and the number of fully or substantially ready major active units has increased by almost one-third. To improve upon the gains already made, funding for readiness continues to be a high priority in the fiscal year 1984 budget.

The caliber of the men and women in uniform has also improved dramatically. During the past year all the services met or exceeded their recruiting objectives, and 86 percent of our non-prior service recruits were high school graduates, up from 68 percent in fiscal year 1980. Retention showed similar gains, with almost 70 percent of all eligible personnel choos-

ing to reenlist in fiscal year 1982 compared to only 55 percent 2 years earlier.

This year, we have asked our military personnel to join all other recipients of Government payment in a common sacrifice by foregoing a pay raise in fiscal year 1984. By doing so they contribute, along with all other Government employees and beneficiaries, to the important national goal of reducing near-term budget deficits.

We hope that this will not cause recruiting and retention to suffer. If recruiting and retention do become adversely affected to the point that the readiness of our forces will suffer, during the coming fiscal year, we will of course recommend appropriate action to the Congress. Also, I will seek to repay the sacrifice we are asking of our military, with a substantial pay raise in the fiscal year 1985 budget—enough, I hope, to make up for this year's pay freeze. The President and I remain fully committed to fair and equitable military pay that will be competitive with pay levels in the private sector.

SUSTAINABILITY

We have also sought to improve the sustainability of our forces. The Soviet Union today has the war reserves to fight far longer than they could a decade ago. In order to ensure that the Soviets never calculate they could simply outlast us, our budget requests resources for more replacement equipment, spare parts, ammunition and other essential consumables, and for a more rapid expansion of defense production during an emergency.

MODERNIZATION

In order to provide the forces necessary to assure deterrence now, and into the future, we had to begin simultaneously a systematic modernization of both our conventional and our nuclear forces. We do not seek high technology weapons for the sake of having high technology. But, we must field weapons that are superior to the Soviets' weapons and today we see that the Soviets are fielding more and more highly sophisticated weapons which pose new threats to U.S. and allied forces. To deter, and if necessary defeat, the use of these weapons, we must ensure that we can counter with improved capabilities of our own.

CONVENTIONAL FORCE MODERNIZATION

This modernization program will provide enhanced capabilities for all components of our conventional forces—so that they can counter the increased Soviet conventional threat. To cite one example, the Soviet's Backfire bomber presents a grave threat to our maritime forces that can be countered only by sophisticated defenses. The Backfire can fly farther and faster and carry more missiles than its predecessors; and its missiles are faster and have a longer range than any we've faced in the past.

To defend against this Soviet capability, we now need better early warning from satellites and aircraft to detect these bombers earlier. And we need fighters with more accurate weapons and improved range to intercept the Backfire before it can launch its missiles. To achieve these capabilities we are upgrading our satellites, AWACS, and fighters. Because we cannot hope to destroy all the bombers before they launch their missiles, we have also developed the Aegis, a cruiser with a missile defense system which has an improved ability to detect low and high flying missiles. Its sophisticated radar and computers can track a large number of missiles and aircraft simultaneously; its air defense weapons are even capable of destroying missiles.

NUCLEAR FORCE MODERNIZATION

We must also modernize our nuclear forces in order to restore the balance with Soviet nuclear forces. Although all of our strategic forces account for only 15 percent of the defense budget, they enable us to maintain our ability to deter nuclear conflict now and in the future, and also increase the likelihood of obtaining significant, mutual arms reduction agreements with the Soviet Union. The key components of our nuclear force modernization are production of the MX missile, Trident missile and submarine, B-1 bomber, Pershing II and ground launched cruise missile, and improve strategic defense and command, control and communications capabilities.

Our nuclear modernization program is not designed to achieve superiority or a first-strike potential. We recognize that there can be no winners in a nuclear war. But this recognition on our part is not sufficient to prevent the outbreak of nuclear war; it is essential that the Soviet leader-

ship understand this as well. If the Soviets recognize that our forces have an effective retaliatory capability—that they can and will deny the Soviets their objectives at whatever level of conflict the Soviets might try—then our deterrence is effective, and the risk of war diminished.

THE DEFENSE BUDGET

Before I conclude, I want to correct some misconceptions regarding the defense budget.

[See chart 6: Defense Cuts.]

First, the defense budget has not been sacrosanct—it too has taken its "fair share" of cuts in the Reagan administration. As this chart shows, when the Reagan 5-year defense budget was unveiled in March 1981, we planned to add $116 billion to the Carter administration budget for the same period. Now, less than 2 years later, that figure has been reduced by more than half. And we must also recall why it was necessary for the President to ask such a large increase for the 1980's. It was because our neglect of our Armed Forces in the 1970's coincided with the vast increases in the U.S.S.R. military strength described earlier.

But, the cuts we have made in the President's defense spending plan have not sacrificed readiness for modernization. Since we took office over 100 marginal weapons or equipment programs have been eliminated, reduced or merged.

Third, cutting back on defense is not the solution to this Nation's very real deficit problem. The increase in defense spending has not produced these large deficits, and a decrease in defense spending, while it could endanger American security, would not cure them.

[See chart 7: Comparing Defense and Entitlements.]

Obviously Federal spending levels affect the size of the budget deficits. It is true that total Federal spending has grown significantly over the past two decades. But, as this chart indicates, entitlement spending has skyrocketed over the past 15 years while defense spending slipped and is only now approaching its 1968 level. Even with the currently proposed increases, defense spending in fiscal year 1984 will constitute only 28 percent of the total Federal budget, in sharp contrast to the 40–50 percent share allocated to defense during the 1950's and 1960's.

Finally, I want to address those who say "I am for defense, but . . ." And those who say "I don't know anything about the defense budget, but—we must cut it to reduce the deficit, or we must cut it in fairness to other programs, or we must cut it for a myriad of other reasons."

I must emphasize to them that we simply cannot reduce defense spending any further without undermining the security of the United States. We cannot afford a situation in which legitimate and necessary defense spending becomes the "whipping boy" of those who look only at budget or deficit numbers or forget that the Soviets are driven by no such constraints. We must not forget that defense needs must be determined by the threat to our national security that we face.

We must therefore develop a responsible and balanced understanding of the real meaning of the threat we face. The detailed facts are clear enough. But there is great resistance to accept the real meaning of these facts, because to do so is to accept the need for a major sustained response. Confronted as we are by all manner of other real or apparent needs, there is a temptation to argue away even the most overwhelming evidence, with misplaced hope that we can continue as usual, putting off or canceling unpopular military necessities, and increasing our spending on more politically popular domestic programs. Instead, the regrettable fact is that, in view of the threats posed to our national security, this course is no longer open to us.

We must also recognize that the commitment to deterrence and defense is neither easy nor inexpensive. When it confronts an opposing coercive "offensive" strategy, it requires continued vigilance to maintain. When deterrence succeeds, it is easy to attribute the maintenance of peace not to the contribution of the defense that enforces the deterrent, but to a host of more facile assumptions—some imagined newfound "peaceful intent" of the opponent, the spirit of détente, growing economic interdependency, and so forth. When deterrence fails, however, and the opponent has deliberately weighed the risks and still decided to attack, the dividends of a viable defense are unquestionable. But unless such a defense is acquired, is in being, and is maintained at

the ready, it is too late to try to regain it after war begins.

We simply cannot wait to restore our military strength—we must do it now, this year, in this budget. The rapid and continuous growth of Soviet offensive military power does not allow us the option of waiting until after the economy fully recovers, or waiting until an emergency develops.

The past decade of inadequate defense spending has forced us to accept "double duty." We must increase the basic readiness and sustainability of our forces to be prepared for an immediate crisis, should one occur. At the same time we must make up for lost years of investment by undertaking the research and development, and force modernization—including the modernization and strengthening of all three parts of the strategic Triad—that are needed to meet threats that are likely to arise in the future. To do one at the expense of the other or to stint on either would be to undermine the security of the United States and that, ladies and gentlemen, I, and I hope you, are not willing to do.

Document 8

Address by President Reagan, February 19, 1983 [8]

Defense Spending

My fellow Americans, this Monday will mark the 251st birthday of George Washington, the father of our country. Unlike Abraham Lincoln, Franklin Roosevelt, and most other famous presidents, Washington was not a great orator or man of words. He was above all a man of action and character. His courage, firmness and integrity first led a ragged, outnumbered army to triumph against the mightiest empire of his time and then guided our infant republic to maturity as the first President of the United States.

George Washington didn't say much, but when he did speak, as both a soldier and a statesman, what he said was worth listening to. As president, in his first annual address to the Congress, he offered a wise piece of advice on defense preparedness that is as timely today as it was when he uttered it nearly two centuries ago.

"To be prepared for war," George Washington said, "is the most effectual means of preserving the peace." When I reread this quote a few days ago, it brought to mind the current public debate over this administration's efforts to protect the peace by restoring our country's neglected defenses.

Now, I know that this is a hard time to call for increased defense spending. It isn't easy to ask American families who are already making sacrifices in the recession or American businesses which are struggling to reinvest for the future. And it isn't easy for someone like me who has dedicated his entire political career to reducing government spending.

On the other hand, it's always very easy and very tempting politically to come up with arguments for neglecting defense spending in time of peace. One of the great tragedies of this century was that it was only after the balance of power was allowed to erode and a ruthless adversary, Adolf Hitler, deliberately weighed the risks and decided to strike that the importance of a strong defense was realized too late.

That was what happened in the years leading up to World War II. And especially for those of us who lived through that nightmare, it's a mistake that America and the free world must never make again.

I want you to know that members of my administration and I have agonized over the current defense budget. We've trimmed back our plans for rebuilding defense by more than half. We've hunted for savings in non-essential programs. We've weighed economic risks and economic benefits. The defense budget we finally presented is a minimal budget to protect our country's vital interests and meet our commitments.

For those who wish to cut it back further, I have a simple question. Which interests and which commitments are they ready to abandon? Let me make just a few

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[8] Source: White House Press Release, February 19, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, February 28, 1983, pp. 264-265. The President spoke at 12:06 p.m. on nationwide radio from the Oval Office at the White House.

key points about our defense program. First, we must develop a responsible and balanced understanding of the danger we face. Over the past 20 years, the Soviet Union has accumulated enormous military might while we restrained our own efforts to the point where defense spending actually declined, in real terms, over 20 percent in the decade of the '70s.

Today the Soviets out-invest us by nearly two to one even with the defense increases of the past two years. They outproduce us substantially in almost every category of weapons. And in action such as the brutal invasion and occupation of Afghanistan, they have demonstrated their willingness to use these weapons for aggression.

Finally, Soviet military power has spread around the globe, threatening our access to vital resources and our sea lines of communication, undermining our forward line of defense in Europe and Korea and challenging us even at home here in our own hemisphere.

We must face the facts. If we continue our past pattern of only rebuilding our defenses in fits and starts, we will never convince the Soviets that it's in their interests to behave with restraint and negotiate genuine arms reductions. We will also burden the American taxpayer time and again with the high cost of crash rearmament. Sooner or later, the bills fall due.

For instance, our land based missiles were designed in the 1950's and installed in the 60's. And many of the pilots of our B–52 bombers are younger than the planes they fly. The fact is these past fits and starts in a decade of neglecting our defenses have left this administration, this Congress, and the American taxpayer stuck with double duty. We had to act quickly to increase the basic readiness and staying power of our forces so that they could meet any immediate crisis if one arose. At the same time, we have to make up for lost years of investment by undertaking the research and development and the force modernization needed to meet crises that could arise in the future. We simply cannot afford *[avoid]* [9] performing this double duty unless we're willing to gamble with our immediate security and pass on to future generations the legacy of neglect we inherited. That kind of neglect would only weaken peace and stability in the world, both now and in the years ahead.

I have lived through two world wars. I saw the American people rise to meet these crises and I have faith in their willingness to come to their nation's defense in the future. But it's far better to prevent a crisis than to have to face it unprepared at the last moment. That's why we have an overriding moral obligation to invest now, this year, in this budget, in restoring America's strength to keep the peace and preserve our freedom.

Until next week, thanks for listening and God bless you.

[9] White House correction. [Footnote in the source text.]

Document 9

Prepared Statement by the Chairman of the Joint Chiefs of Staff (Vessey) Before the House Foreign Affairs Committee, February 22, 1983 [10]

Foreign Military Sales and Assistance for Fiscal Year 1984

Mr. Chairman, members of the committee, thank you for the opportunity to share with you the views of the Joint Chiefs of Staff on the Security Assistance Program.

We live in a dangerous world; wars and rumors of wars abound—Afghanistan, Iran–Iraq, Lebanon, Angola, Mozambique, Chad, Somalia, Kampuchea, and our own back yard in Central America have all been battlefields in recent days. We and our allies in NATO and East Asia look out on the massive military buildup of the Soviet Union and the threat that military power poses to our security. It is not only a dangerous world; it is an interconnected world. The economies of the free world are inextricably intertwined—for markets, for raw materials, for energy, and for financial support. Our own security is ines-

[10] Source: *Foreign Assistance Legislation for Fiscal Years 1984–1985: Hearings Before the Committee on Foreign Affairs, United States House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), Part 1, pp. 189–196.

capably linked to the security of our allies, friends, and trading partners.

The Security Assistance Program through the years has been a very cost-effective way of supporting the foreign policy objectives of our nation and adding to our own security. The U.S. Security Assistance Programs were key ingredients in the building of our fundamental alliances with the nations of Europe and East Asia, alliances vital to our security today. Security Assistance Programs have helped secure cooperation important to our strategic goals and have supported peace and stability efforts of the United States in the world. At a time when we must rebuild our own defense forces quickly to meet the growing threat, when the cost of the defense build up and the health of our economy are of great concern, the Security Assistance Program should continue to be recognized as an important and efficient investment in our own security.

The strategic objectives of the program today are straight forward. They are: to strengthen the combined defenses of our military alliances to help friends and allies cope with regional threats; to help secure access, overflight, transit and forward basing rights for our own forces; to promote standardization and interoperability of allied forces so we can work more effectively with our friends; to help promote U.S. influence abroad while, at the same time, reducing the influence of the Soviet Union and its proxies; to help secure continuing access to markets, raw materials, and energy sources such as Middle East oil. Most importantly, to help friendly nations secure for themselves peace, freedom, and well-being for their people.

The Security Assistance Program also helps our defense by providing orders for larger production runs of military equipment and reducing unit costs to our own forces. Longer production runs also help improve the defense industrial mobilization base and provide jobs for American workers. Foreign military sales stimulate the flow of foreign currency to the United States and help the balance of payments.

Most important, an effective Security Assistance Program can lessen the likelihood that U.S. troops will have to go into combat abroad.

The Soviet Union uses security assistance to further its objectives in the world, either directly or through surrogates. Cuba, Vietnam, and Libya have exploited instability in the world with the aid of Soviet security assistance. The Soviets expand their security assistance programs quickly where opportunities arise. Sometimes when the United States has not responded to requests for aid from less-developed nations, the Soviets have seized the opportunity to spread their influence through effective use of security assistance programs. Angola, Peru, and North Yemen are examples. In the last 2 years, the Soviets have far outstripped the United States in foreign military sales to Third World nations. Interest-free loans, very low interest rates, and free grants of military equipment are very much a part of the Soviet program. The Soviets have attempted to extend their influence by stationing nearly 20 times more training and support technicians abroad than we have and by training far more foreign military students in the Soviet Union than we do in the United States.

I raise these points not to suggest we are in a security assistance race with Russia, but rather to point out that our potential adversaries recognize and use security assistance programs to achieve their objectives and that our programs will be measured against theirs in many countries.

The U.S. Security Assistance Program needs a strong connection to our national security strategy. About 50 percent of our program goes to Israel and Egypt, and seven countries account for over 80 percent of the program. In addition to Israel and Egypt, they are Turkey, Spain, Greece, Pakistan, and Korea, all countries very important to the United States for a combination of military and political reasons. Nevertheless, the emphasis on those seven countries leaves little flexibility for influencing important strategic areas in the remainder of the world. The Joint Chiefs of Staff would urge more balance in the program, but that the balance be achieved by adding to other important areas and not by reducing support to the seven countries mentioned.

The Joint Chiefs of Staff urge strong support for our friends and allies in Central America and the Caribbean. The region is important to the United States because of our traditional economic and cultural ties and because of its relationship to our strategically important sea lines of communication. The strategic importance of the region can be weighed by assessing

the efforts of the Soviet Union and its Cuban surrogates. The Soviets put almost 8 percent of their security assistance into Latin America in contrast to our 3 percent for 1984—a percentage that is double the 1.5 percent of the past few years.

The International Military Education and Training Program deserves the wholehearted support of the Congress. Training military personnel from allied and friendly forces is a very effective way of establishing and maintaining long-term cooperative security relationships with nations whose interests are closely linked to those of the United States. The program has a side benefit of giving a firsthand look at American life and democracy to potentially influential people from many different countries. Over the years, such training here has paid real dividends for the United States. Thousands of foreign leaders have undergone training at senior U.S. military schools during their military careers. For example, fully one-third of the foreign graduates of the U.S. Army Command and General Staff School have attained general or flag rank. During one recently surveyed 5-year period, 160 foreign graduates of U.S. senior service schools had become cabinet ministers, legislators, or ambassadors, and over 1,800 foreign graduates had attained general or flag officer rank. The extension of U.S. influence also has a multiplier effect, since U.S.-trained foreigners train still others. We need to make wider use of training as a security assistance tool and one initiative we support would permit exchanges of training for individuals or units on a reciprocal no-cost basis. At present, the United States and another country engaging in reciprocal training must reimburse each other. Many countries cannot afford U.S. costs. This keeps both sides from benefiting from reciprocal training. In addition, we would like expanded authority to train the *police* forces of those small countries that have no separate armed services for national defense. These countries, predominantly in the Caribbean, are important to our national security strategy. We also support changing the law so that there is a single standardized cost for training of foreign personnel in U.S. military schools. This would reduce confusion on the part of our allies and reduce fiscal impediments to formal U.S. military schooling.

The Joint Chiefs of Staff strongly support the administration's program to increase the size of the Military Assistance Program (Grant Aid). Many nations in the underdeveloped areas of the world are simply unable to pay for the goods and services they need. The Joint Chiefs of Staff believe that selective use of Grant Aid to strengthen poorer countries in strategic areas is an important supplement to our own defense program.

There is another group of potential recipients that *can* repay us, but only if the repayment period is extended from the current 12 years to 20 years, with a grace period before the payments must start. We now have these arrangements with Egypt, Greece, Turkey, Sudan, and Somalia. The list of countries in this group should be expanded. The cost of military technology has grown significantly, and inflation is a critical factor—$25 billion in foreign military sales today actually buys less than $10 billion bought only 10 years ago. In fact, today's program is at about the same level, in 1973 dollars, as it was 10 years ago. Because we must charge more for goods and services, we have almost priced ourselves out of the market in many small nations. While interest rates are hard to cope with here at home, poorer nations abroad are having a still tougher time than we are.

Effectiveness of the Security Assistance Program could be improved in certain instances by entering into multi-year commitments for some countries.

The Joint Chiefs of Staff also strongly support lifting the obligation ceiling on the Special Defense Acquisition Fund. The Fund enables us to procure military equipment in anticipation of foreign sales and thus shortens critical production line lead time. Previously, meeting urgent foreign military equipment requirements meant diverting equipment already ordered for our own forces, often delaying U.S. force modernization and impacting on U.S. force readiness. The Special Defense Acquisition Fund is an important addition to our program. It needs more flexibility in application to improve its effectiveness.

In conclusion, Mr. Chairman, I want to stress again the importance of the Security Assistance Program to our own defense. It is a cost-effective adjunct to the Defense budget. It is surely not a "give-away" program as some have characterized it. The Joint Chiefs of Staff believe the program before you is the minimum required to support the objectives laid out.

Mr. Chairman, thank you for taking the time for this brief discussion of the U.S. Security Assistance Program. I have touched only a few of the high points. I sincerely appreciate the opportunity to discuss these important matters with the committee.

Thank you very much.

Document 10

Prepared Statement by the Under Secretary of State for Security Assistance, Science and Technology (Schneider) Before a Subcommittee of the House Foreign Affairs Committee, March 3, 1983 [11]

FY 1984 Security Assistance Requests

U.S. foreign assistance programs constitute an integral part of this Nation's response to international political and economic developments throughout the world. Resources provide us with the means to exercise leadership internationally and enable us to help developing countries address their most pressing problems.

Secretary Shultz testified before the full committee on foreign assistance in general. I am here today to discuss U.S. security assistance programs and arms transfer policy.

We have developed an integrated foreign assistance program in which development and security assistance combine to meet our economic and national security objectives as well as those of other countries who share these objectives. Security assistance is but one aspect of the whole. It is important to keep in mind that assistance to promote economic growth and development and security assistance are mutually reinforcing programs that cannot function independently.

The United States has multiple interests involving the developing world. On the economic level, about 40 percent of total U.S. exports are to less developed countries. U.S. industry depends on imports of primary commodities, minerals and petroleum. Open trading and financial systems are important to the economic health of developed and developing countries alike. Economic progress in the developing countries and recovery in the industrialized nations cannot occur independent of regional security and stability. A sense of security from external threat and internal upheaval is a necessary precondition of development, and our own self interest requires that we pay close attention to events in the sometimes seemingly remote countries that are commonly referred to as the third world. It is only at our own peril that we ignore or fail to respond wisely to their security and development needs.

As it is integral to our foreign policy, so too is security assistance an inseparable ingredient of our own defense planning. This administration has sought to enhance the security of the United States and to strengthen its ability to protect its interests in various regions of the world. This requires increasing our own defense capabilities and conducting effective diplomacy. In part, however, it also requires a realistic increase in security assistance to allies and friends around the world.

The link between U.S. defense planning and security assistance is direct and occurs at several levels. The United States alone does not and cannot maintain a force structure and capabilities sufficient to defend the free world. We must depend upon allies to deter local threats to our common interests. We factor their capabilities into our planning and the security assistance program is the vehicle for providing them the necessary equipment and training. It would cost $60,000 to equip and maintain one U.S. soldier in Turkey, should that be necessary; it costs only $9,000 for one Turkish soldier. Thus, security assistance is cost-effective.

Second, security assistance enables us to maintain cooperative relationships necessary for our strategic planning. For example, the Rapid Deployment Force cannot perform its mission in a Southwest Asian contingency unless it can move to the area promptly, equipped to fight as necessary. This requires enroute access and transit rights as well as prepositioned equipment and supplies in the region. We cannot

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[11] Source: *Foreign Assistance Legislation for Fiscal Years 1984–1985: Hearings Before the Committee on Foreign Affairs, United States House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), Part 2, pp. 60–71.

expect other nations to cooperate with us unless we are equally responsive to their legitimate needs. We must be a reliable friend if we are to have reliable friends.

Third, the military security assistance programs are managed by DOD in conjunction with U.S. procurement so that both the United States and the foreign buyer reap the benefits of consolidated planning and economies of scale. This entails both integrated procurement of weapons systems and tying foreign buyers directly into our supply systems to ensure timely, effective logistical support. Cutting back on foreign sales by the United States will only serve to channel these sales to others and raise the costs of our own purchases.

Fourth, security assistance helps to maintain a strong defense industrial base in the United States. Virtually all security assistance resources are spent in the United States on U.S. equipment and services.

Finally, allies and friends who are able to deter and defend against local threats provide the President time and choices in a crisis situation. Specifically, the President is not faced with the sudden choice of intervening directly with U.S. forces at the request of an ally, or acquiescing to aggression. A security assistance recipient with a strong defensive capability provides valuable time for the United States to consider its own appropriate response.

In sum, adequately funded, efficiently administered security assistance programs are essential to U.S. defense planning. Without them, our own defense effort would be both far more costly and, in times of crisis, even dangerously crippled.

One aspect of security assistance that bears special mention is the Economic Support Fund [ESF].[12] ESF is not simply another form of credit for military purchases. We do program a major percentage of ESF to countries where we also have a significant military assistance program. But we use ESF to address economic problems in a way that both complements and enhances the military assistance we provide.

Many LDC's today are reeling from the multiple shock of high energy costs, decreased demand for their exports, and their own economic mismanagement. Political stability and the ability to fend off external threats are simply impossible objectives if a country cannot achieve economic growth sufficient to enable it to meet the aspirations of its people. ESF helps the United States assert a leadership role in fostering economic recovery in nations of high strategic importance to us. In some instances, such as Israel, ESF provides needed budget support. In others, such as Pakistan, Jamaica and the Sudan, ESF helps us to support countries that are making efforts to restructure their economies and to become more self-reliant in the future. In still others, such as Kenya and Botswana, ESF meets basic human needs as do development assistance programs. Flexibility is the most important attribute of ESF, and it is an important complement to other trade, finance and aid policies and programs.

FISCAL YEAR 1983 SUPPLEMENTAL

The fiscal year 1983 continuing resolution under which we are operating does not provide adequate funds to achieve necessary national security objectives.

After careful consideration, we have reluctantly concluded that we cannot, without sacrificing important interests, operate within continuing resolution levels. Our problems are accentuated further by the extensive earmarking in existing authorization legislation and in the continuing resolution itself. The administration is obliged, therefore, to seek additional funding for the current fiscal year coincident with our request for fiscal year 1984.

Before getting into specifics, let me review briefly the five security assistance programs. Although well known to you, they have evolved to meet changing needs around the world.

Foreign Military Sales [FMS] financing facilitates the purchase of U.S. military equipment, spares or training. There are two types of FMS financing: direct credits, which involve appropriated funds, and guarantied loans, which do not. While direct credit can, under the law, be provided with varying degrees of concessionality, the Congress has in recent years limited its use to a few recipients, for which it has waived in advance the requirement to repay. USG guarantied loans are provided to a wide range of countries—but 85 percent of the program is directed to seven key countries (Spain, Turkey, Greece,

[12] All brackets are in the source text.

Pakistan, Israel, Egypt, and Korea). Such loans are made by the Federal Financing Bank and bear an interest rate reflecting the cost of money to the Treasury.

The Economic Support Fund [ESF], of which I have already spoken, provides loans or grants to promote political and economic stability in countries of special economic, political or security interest to the United States. This assistance may be in the form of cash transfers for balance of payments or budget support, commodity import programs or project assistance.

The Military Assistance Program [MAP] provides grant funding for defense articles and services. Whereas in the past MAP was used to provide specific military items, it currently helps recipient countries pay for equipment purchased under the FMS program. We often provide a degree of concessionality in financing military purchases through a combination of FMS guarantied loans and grant MAP funds. While the percentage rise over our fiscal year 1983 request is significant, the dollar change is more modest and clearly reflects the continuing impact of worldwide recession on the ability of recipients to pay for necessary defense requirements.

International military education and training [IMET] provides grant funds for professional military training. Most is used to bring promising military personnel to the United States for specialized training—which often has the added advantage of exposing future military leaders to American values and institutions. The IMET program, while relatively small in dollars committed, may well have the highest marginal return of any assistance program.

Peacekeeping operations [PKO], the smallest of the security assistance accounts, permits us to participate in multilateral peacekeeping activities in some of the world's most volatile areas. For fiscal years 1983 and 1984, the only peacekeeping programs foreseen are those in the Sinai and Cyprus.

LEBANON SUPPLEMENTAL

I would like to turn now to the first of the two supplemental authorizations we are seeking: $251 million to help restore peace and stability in war-torn Lebanon. This is a one-time special reconstruction package. In fiscal year 1984 and beyond, we expect to revert to traditional levels of assistance. Others will testify in greater detail on the supplemental and I will only briefly review the three component requests.

The $150 million in ESF grants. These are "no-year" funds to be obligated in both fiscal year 1983, and fiscal year 1984, about $100 million and $50 million respectively. These funds, together with funds from other donors, will help the Lebanese Government rebuild its shattered economic infrastructure.

The $100 million in FMS guaranteed loans. This will help finance phase II, if necessary, and phase III of the effort to reconstitute the Lebanese Armed Forces. Phase I, now almost complete, involves the formation of four new brigades and equipping them to 70-percent strength. Phase II will bring one of those brigades up to 100-percent strength and add a fifth brigade. We have signed letters of offer for most of this equipment except APC's which will require congressional notification. The total bill for Phase II is expected to be on the order of $55 million. Phase III would add two more brigades at a cost of $105 million.

The $1 million in IMET. This will send U.S. training teams to Lebanon and bring Lebanese military officers and enlisted crews to the United States for specialized training.

I am certain that members of this committee recognize that very important national interests are at stake in troubled Lebanon. We have a vital interest in ending hostilities and promoting the withdrawal of all foreign forces in a manner that promotes lasting peace and stability. The MNF cannot play a permanent, direct role in maintaining internal security. The LAF must gradually assume responsibility for that job. The exact shape of LAF deployments will be determined in part by the outcome of the current negotiations with Israel.

The question is not whether we should participate in Lebanon's recovery nor whether we should help Lebanon develop the capacity to defend its national integrity, but how quickly we can bring about these goals. I urge you to consider this supplemental request on an urgent basis so that we can continue the enormous task of reconstruction.

FISCAL YEAR 1983 SECURITY ASSISTANCE SUPPLEMENTAL

Our other supplemental authorization request also requires urgent attention. In these times of economic constraints and domestic belt-tightening, it takes a really serious situation to come before the Congress to ask for more foreign aid. We are convinced, however, that the request in this case is not only justified, but that we have no responsible alternative.

The reasons are these:

The continuing resolution is $961 million, or 11 percent, below the amount we requested for security assistance in fiscal year 1983. This means cuts of 48 percent in MAP, 17 percent in IMET, 16 percent in FMS guaranteed loans, and 8 percent in ESF. There was a 24-percent increase in forgiven FMS credit, but this was completely earmarked for Israel and Egypt (at levels above the administration request) and did not provide funds for the Sudan program, earmarked in authorization legislation.

Indeed, more than half of the MAP, ESF, and FMS guarantied loan is earmarked. This magnifies the reductions to be absorbed by the remaining unearmarked countries. For instance, the effective cut for these countries averages nearly 70 percent in MAP and 50 percent in FMS.

We cannot carry out an effective security assistance program with such extensive reductions. We face unacceptable choices as to which critical interests to fulfill and which to sacrifice.

We do not seek a total restoration of the difference between our request and the CR level. We are requesting $167 million in additional MAP appropriations, of which only $142 million requires authorization; $144.5 million more in ESF appropriations, of which $82 million requires authorization; and $425 million in FMS guarantied loans. Let me describe how the supplemental funds will be used.

Major MAP recipients will be: Sudan ($50 million); Tunisia ($30 million); Thailand ($16 million); and Kenya ($12.5 million). As I noted above, $50 million in forgiven FMS credit is earmarked in authorization legislation for Sudan, yet no funds were appropriated. Sudan faces severe economic problems and a serious threat from neighboring Libya. Its continued security is important to the Middle East peace process, and to our access to Southwest Asia should the need arise. The Sudanese economy is in dire straits; it cannot service sizable high interest guarantied loans.

Tunisia, another good friend threatened by Libya, needs MAP, coupled with additional guarantied loans, to purchase tanks and transport aircraft. The total package provides necessary concessionality to help Tunisia's military modernization program.

A similar rationale supports our proposals for Thailand, which just last week was attacked by the Soviet-backed Vietnamese forces ranged along its eastern border, and for Kenya, which contributes to stability and to our objectives in the Horn of Africa and Southwest Asia. We are also seeking small amounts of MAP funding in the supplemental to prevent several small programs in Africa and Latin America from being eliminated.

Major ESF recipients are: Turkey ($55 million), Sudan ($25 million), Zimbabwe ($15 million) and the Dominican Republic and Cyprus ($10 million each). Last year we pledged $350 million to a multilateral effort through OECD to help put Turkey back on its financial feet. The requested $55 million, together with the $245 million allocated under the CR for this purpose, still leaves us $50 million short of our pledge.

For Sudan we hope to generate matching support from others to enable Sudan to meet IMF foreign exchange requirements. Such support is essential for a country whose annual debt service costs are expected to exceed its total exports this year. We seek additional funds for Zimbabwe to fulfill our public pledge to provide $75 million for three years.

The administration remains committed to fostering Caribbean economic growth and stability. The supplemental is essential to this endeavor. We are asking as well for supplemental funds to meet the congressional earmarks for Cyprus, and for added funding for the Middle East regional program which promotes cooperation between Israel and Egypt.

The off-budget FMS guarantied loan request of $425 million will support Pakistan ($75 million), Korea ($70 million), Turkey ($65 million), Tunisia ($43 million), Jordan ($35 million), and Indonesia

($30 million). Several smaller country programs require funding to prevent them from being eliminated altogether. The Pakistan program will be raised to the requested level consistent with our 5-year program of support for that country and to permit Pakistan to pay for equipment already ordered. Korea has been forced by resource constraints to postpone badly needed modernization programs in such areas as air defense radar installation. The supplemental will enable us to restore the 33-percent cut from the requested level. The request for Turkey will allow a slight increase over the amount provided in fiscal year 1982 to offset grant MAP reductions mandated in the CR. The request for Jordan will return this critical program to its requested level. If Jordan is to join the peace process, it must be confident of U.S. support.

We are not seeking supplemental increases in funds for either IMET—although reductions have forced major retrenchments in this highly effective program—or in peacekeeping operations.

Our security assistance program in fiscal year 1983 has been seriously compromised by inadequate funding. We have planned for these extremely scarce funds to continue the absolute highest priority country programs and to conform to the congressional earmarks. However, if the supplemental request is not approved, country programs that are only marginally less critical will suffer grievously and many of the smaller programs will have to be either cut to the point of ineffectiveness or terminated altogether. We do not want—and we trust the Congress does not want—to be responsible for the negative impact on U.S. interests and our bilateral relationships that would result.

FISCAL YEAR 1984 SECURITY ASSISTANCE REQUEST

Now let me move on to what would normally have been the only subject of my testimony today—the fiscal year 1984 security assistance authorization request.

We are requesting total security assistance programs of $9.2 billion, requiring $4.8 billion in new fiscal year 1984 budget authority. There is no real growth. In fact, the program total represents a modest 4.5-percent increase over our revised request for fiscal year 1983. By program, we are seeking authorization of $697 million in MAP, which is essential to provide for increased military inputs at more concessional rates; a virtual straight-lining of ESF, to $2,949 million; $56.532 million in IMET; and $4,436 million in off-budget FMS guarantied loans. We are requesting $1 billion in forgiven FMS direct credits for Israel and Egypt, and a PKO contribution of $46.2 million for the multilateral force and observers in the Sinai and the U.S. forces in Cyprus.

These figures are determined by an interagency process which carefully reviews all our programs. Our key strategic objectives are established and coordinated with foreign policy and defense planning. We then design a security assistance program that is carefully integrated with development assistance priorities to fulfill key strategic objectives. Since I have recently returned from accompanying the Secretary on a trip to East Asia, I would like to discuss that vital area of the world first.

EAST ASIA: PROMOTING PACIFIC SECURITY

For the Pacific, we are requesting $506 million for ten countries—about 5.5 percent of the total security assistance request. The bulk of funding here goes to countries with which we have firm mutual security agreements. More than 85 percent of the program goes to three countries: Korea, Thailand, and the Philippines.

The Republic of Korea is directly threatened by North Korea, which spends 15-20 percent of GNP on arms, has 12 percent larger forces than the south, and more than twice the number of artillery pieces, tanks, and combat aircraft. Our $230 million request will help Korea purchase priority items in its second force improvement plan such as aircraft, air defense missiles and improved armor and artillery capability.

For Thailand, we are requesting $106.4 million to be used primarily for tanks, antiaircraft missiles and aircraft. The Thais face a direct threat from an estimated 180,000 Soviet-backed Vietnamese soldiers across their eastern border in Kampuchea. By assisting Thailand, we help to deter aggression and show Asian countries our commitment to support their independence and security. Our assistance program also has a catalytic effect by encouraging greater regional political and defense cooperation.

Our fiscal year 1984 program for the Philippines represents the final year of the security assistance pledge which President Carter made in 1979 following the successful amendment of the military base agreement.[13] Clark Air Base, Subic Naval Base, and other facilities there help to sustain the U.S. position as an Asian Power and to project American power into the Indian Ocean. Finally, I would note our two smaller but important programs in Indonesia and Malaysia, which promote security interests in these populous, resource rich countries lying beside vital sea links between the Pacific and Indian Oceans.

FURTHERING THE MIDDLE EAST PEACE PROCESS

A fundamental U.S. objective, requiring the largest percentage of funds, is to further the Middle East peace process. Nowhere is the need for consistency, reliability, and balance in U.S. foreign policy more evident than in the Middle East. Our policy in the region is based on two mutually reinforcing goals: (1) the search for a just and lasting peace among all of the States in the area, and (2) the requirement that our friends in the region be able to assure their security against threats from the outside and from the pressures of Soviet surrogates and radical forces within the region.

U.S. assistance programs to Israel and Egypt reflect our best appraisal of their real needs. Our programs are designed to help give these nations the confidence to continue on the path toward peace begun at Camp David.

Lebanon and Jordan are also critical to peace and security in the Middle East. I spoke earlier about Lebanon in the context of the fiscal year 1983 supplemental. The strengthening of institutions and the fostering of a national consensus in Lebanon would help significantly to stabilize the area and would thereby remove one of the major flashpoints of conflict in the region.

Our continued support for Jordan increases its ability to remain a viable, moderate actor in the region and encourages it to assume an active role in the peace process. Numerically outmanned by a potentially aggressive neighbor, Jordan depends on well-equipped, high quality, highly motivated forces to deter attack. Inasmuch as the risks to Jordan would increase if it joins the peace process, Jordan must know that it has a staunch friend in the United States who will supply and provide financing for military modernization needs. The requested $115 million program for Jordan is designed to help modernize the armed forces through purchases of equipment including armor, artillery, airlift equipment, and tow missiles.

For fiscal year 1984 we plan to devote about 51 percent of our total security assistance program to this peace effort. In program terms, this is $1,570 million in ESF, $1,000 million in forgiven FMS credit, $2,130 million in FMS guaranteed loans, $4.75 million in IMET, and $37.2 million for peacekeeping operations in the Sinai. By country, it amounts to $2,485 million for Israel, $2,052 million for Egypt, $137 million for Jordan, and $15.75 million for Lebanon.

STRENGTHENING THE NATO ALLIANCE AND EUROPE

The strategic importance of Europe's southern flank to NATO and the West has been dramatically underlined by events this past year. Helping these nations acquire the materiel and training needed to meet effectively their NATO responsibilities is an important contribution to our common defense, not only against threats to NATO but against challenges to our common interests beyond the geographic bounds of the alliance.

Portugal and Spain hold a strategic position along the principal lines of access to Europe and the Middle East/Southwest Asia. The Portuguese, with the aid of their allies, are determined to play a larger role in NATO and in the defense of Western interests. Basing facilities in Portugal are key to NATO reinforcement, ASW operations and possibly out of area contingencies. The fiscal year 1984 FMS/MAP request of $105 million will help provide a second squadron of A-7P aircraft, the startup of an anti-submarine warfare frigate program, and increased P-3 and C-130 capability. Spain's decision to join NATO is a historic milestone on the road to that nation's full reentry into the West European community. It underscores Spain's desire to reinforce democratic institutions. Our $400 million FMS request

[13] Amendment of the U.S.-Philippine Military Bases Agreement, January 7, 1979; for text, see 30 UST 863, or *American Foreign Policy: Basic Documents, 1977–1980*, pp. 1087–1088.

serves to solidify progress in this direction and helps ensure the access we need to bases vital to our own defense posture.

In our defense cooperation agreement with Turkey, we have undertaken to assist the Turkish Armed Forces in their efforts to modernize their dangerously obsolescent military inventory. Turkey is outnumbered three to one by Warsaw Pact ground troops, armed with the most modern armaments in the Soviet arsenal garrisoned in the nearby trans Caucasus and Thrace. Similarly, Warsaw Pact aircraft vastly outnumber Turkish aircraft in the region. We are requesting $755 million in FMS/MAP to help Turkey purchase a wide variety of equipment including some replacements for its obsolete fighter aircraft. The use of MAP funds will limit the impact of this large program on Turkey's heavy debt service schedule. We cannot understate Turkey's importance, standing as it does at the intersection of our NATO, Southwest Asia, and Middle East strategies.

Security assistance demonstrates American support for a democratic Greece willing and able to fulfill its NATO responsibility and to help ensure political stability in the Eastern Mediterranean. We have straight-lined the Greek program because base negotiations currently are underway. To do otherwise would compromise our ability to reach a reasonable agreement. We have told the Greeks, however, that we are prepared to request additional funds in the context of a satisfactory defense cooperation agreement.

We intend to commit $1,790 million in security assistance to the European southern tier states of Spain, Portugal, Greece, Turkey, and Cyprus. By program this will consist of $230 million in ESF, $290 million in MAP, $1,250 million in FMS guaranteed loans, $11.7 million in IMET, and $9 million for the U.N. forces in Cyprus. By country, it will be $12 million for Cyprus, $281.7 million for Greece, $148 million for Portugal, $415 million for Spain, and $934 million for Turkey.

SOUTHWEST ASIA

Southwest Asia remains the critical source of energy for the Free World. Broadly defined, this area stretches from Pakistan in the East to Morocco in the West. Almost all these countries face severe economic problems and potential subversion or regional threats, in many cases supported by the Soviets or their proxies.

Our 5-year program of military modernization and economic assistance will help Pakistan to meet the Soviet threat from Afghanistan and facilitate the economic development essential to internal stability. Our renewed strategic relationship will help deter further actions by the Soviets and support Pakistani resolve to continue to oppose Soviet aggression in Afghanistan. A Pakistan more confident of its security has less need for and motivation to develop nuclear explosives. The $300 million FMS request will be used for progress payments on the $1.7 billion package of military assistance already underway including F-16 aircraft. As you know, the first six F-16's recently arrived in country and the reaction was overwhelmingly positive for United States-Pakistan security relations.

Sudan, Morocco, and Tunisia all face threats of subversion or aggression emanating from or supported by Libya. Sudan also faces a significant potential military threat from Ethiopia. These countries have difficult economic problems. Grant U.S. assistance is needed to enhance military preparedness without adding to already excessive economic burdens.

Given Oman's strategic location on the strait of Hormuz and close cooperation on regional security issues, we put high priority on improving its defense forces. The Yemen Arab Republic, strategically located on the Bab El-Mandeb Straits and the southwest flank of Saudi Arabia, faces a well-armed, Marxist-led insurgency supported by South Yemen and Libya. With a deteriorating economic situation, this country requires both development and security assistance to enable it to maintain its independence and stability.

Also along the Indian Ocean Littoral, in both Kenya and Somalia, we seek to encourage economic self-reliance and the development of defense capabilities consistent with economic realities. Both nations count as key features in our own defense planning for the region and Somalia faces continuing pressure from Ethiopian border attacks. Our aid to the island states helps maintain U.S. access and influence in the Indian Ocean.

We plan to commit some $1.188 million to security assistance for the 12 countries whose cooperation we consider essential

to our Southwest Asia policy. Programmatically, this will include $451 million in ESF, $220 million in MAP, $507 million in FMS guaranties, and $10.15 million in IMET. The major country programs are Pakistan at $525.8 million, Sudan at $181.5 million, Tunisia at $141.7 million, Morocco at $98.7 million, Kenya at $78.65 million, Somalia at $76 million and Oman at $60.1 million.

RESTORING STABILITY AND PROGRESS IN THE CARIBBEAN BASIN

We face a major challenge in the Caribbean Basin, where Cuba has sought to exploit socio-economic problems and military vulnerabilities. The fiscal year 1982 CBI supplemental was never intended to cure all problems; we must continue to provide resources until increased investment, a strengthened private sector, and expanded export markets enable these countries to achieve more economic self-sufficiency.

El Salvador, where the guerrillas seek to destroy the economy and take over the Government, would be the largest single recipient of both economic and military assistance in the Caribbean Basin. The Salvadoran economy has been in sharp decline since 1978; in real terms the value of goods and services produced now is estimated to be 25 percent below 1978. We have allocated $140 million in ESF for fiscal year 1983 and are requesting $120 million for fiscal year 1984 in an effort to restore production in what was one of Latin America's most efficient economies. Honduras faces a severe economic decline and a large military buildup in neighboring Nicaragua. Costa Rica's rapidly deteriorating economy will require substantial assistance while fundamental reforms are effected. Jamaica will continue to need substantial assistance in order to restore the vitality of its private sector. Because of deteriorating conditions, other countries in the region, including Guatemala and the Dominican Republic, require substantial amounts of economic assistance. We are proposing a new FMS program for Guatemala in fiscal year 1984 because of the importance of Guatemala in Central America, the threat the country faces, and the progress being made in improving human rights.

Under the security assistance rubric, we expect to devote about $558 million to CBI countries and regional programs. This will include $398 million in ESF, $109.8 million in MAP, $45 million in FMS guarantees and $5.13 million in IMET funds. The major recipients will be El Salvador at $206.3 million, Honduras at $81 million, Costa Rica at $72.15 million, Jamaica at $59.2 million, Guatemala at $50.25 million and the Dominican Republic at $45.75 million.

OTHER STRATEGIC GROUPINGS

We also propose in fiscal year 1984, in addition to these areas of strategic concern in the United States, to provide security assistance to a number of other countries in troubled parts of the world.

Our policy in southern Africa is designed to advance the peace process in Namibia, ensure continued western access to key strategic minerals, and support the development process from Zaire to the Cape. We are committed to assist the economic development of the frontline states in southern Africa, whose participation is essential to the resolution of conflict there. The alternative—a new escalation of conflict—would provide significant new opportunities for the Cubans and the Soviets. We seek $181 million in security assistance for this region.

Adequate aid is essential to maintain peace and stability in western Africa, where financial difficulties risk exploitation by Libya. We propose modest new ESF programs for two threatened, staunchly pro-western countries, Senegal and Niger. Our aid to Liberia is designed to address its immediate financial crisis, stimulate long-term development, ensure continued U.S. access to key transportation and communications facilities, and facilitate the return to civilian government in 1985. Our assistance elsewhere in West Africa is limited to FMS loans in Cameroon and Gabon and to 14 IMET programs.

The President's recent trip to Latin America underscored America's commitment to play a major role in addressing the key problems of our neighbors to the south. In furthering our strategic and national security interest in the southern part of the hemisphere, we are seeking $51 million primarily for FMS guaranteed loans to Peru, Colombia and Ecuador.

In concluding this portion of my remarks, I would emphasize that none of these figures is intended to set a cash value on the relationship between the

United States and the recipient country. Nor do they in all cases indicate the total amount of assistance we propose to provide, as many will receive various other types of development assistance as well. Our security assistance budget proposal is, I believe, carefully crafted to move us toward a variety of strategic objectives at minimum expense to the American taxpayer.

FISCAL YEAR 1984 LEGISLATIVE PROPOSALS

Mr. Chairman, I would now like to address several of our legislative proposals for fiscal year 1984. These include new proposals together with those submitted last year. Many of the latter were included in the authorization bill reported by this committee. We have made an effort to limit the number and scope of the proposals to those essential to the effective operation and administration of the programs. We regard those which are before you as extremely important and urge their consideration and adoption.

NEW PROPOSALS

Let me highlight some of the more important proposals. General Gast will also speak to these proposals.

We seek a change to section 21 of the Arms Export Control Act (AECA) [14] to simplify the current, multi-tier pricing structure on sales of training. By allowing us to charge all purchasers an amount equal to the "additional cost" not otherwise incurred by the United States in providing the training, this proposal would reduce discrimination among countries yet ensure that the United States recoups the total cost attributed to such training. This proposal is similar to that enacted recently for grant training.

Earlier I mentioned the impact that earmarking in legislation has on our ability to allocate available funds to meet priority objectives. The most serious problems arise from earmarks in authorization and appropriations legislation, which assume availability of the funds authorized in that bill. When the worldwide availability for ESF or MAP is reduced, often severely in a CR, we must nonetheless fund specific countries at the full amounts earmarked. This creates serious distortions in country allocations, often unintended, by forcing disproportionately severe cuts in unearmarked country programs.

To help deal with this problem, the administration is proposing enactment of a provision that would reduce earmarks, when operating under a CR, to the same proportion of the total funds available under the CR as the original earmark was to the total funds available for the relevant account in the law which established the earmark. We recognize, Mr. Chairman, that the Congress may not authorize and appropriate all the funds that have been requested. When funds are reduced, however, earmarking places us in a straitjacket which prevents rational country allocations. The combination of lower funding and extensive earmarks is devastating. I strongly urge adoption of this proposal.

We also need adequate numbers of personnel in certain countries to manage the security assistance program. The number of overseas military personnel declined significantly in the late 1970's. Congress took the lead in bringing about the reductions, many of which were warranted and overdue. As certain programs grow in size and importance, however, we must seek prudent increases. Accordingly, we propose to amend section 515 of the FAA to add 9 new countries to the 12 currently authorized to have more than 6 uniformed personnel. These include Pakistan, Tunisia, Yemen, Liberia, Sudan, Zaire, El Salvador, Honduras, and Venezuela.

We propose to add Korea to the short list of countries authorized to receive extended payment terms on FMS guaranteed loans. The size of the Korea program has been reduced significantly in recent years. The reduction was not by choice but because Korea, as an unearmarked country, was forced to bear a sizeable portion of the reductions in overall funding. This proposal would allow Korea to spread out its repayments and spend a larger portion of its own funds on needed military purchases.

Current law requires that countries that sell or dispose of U.S. equipment provided under the MAP program return the proceeds to the United States because there is no incentive to eliminate obsolete equipment which drains available O&M funds, countries maintain such equipment in their inventories even when to do so is uneconomical. We are proposing to add a waiver authority that would allow the

[14] P.L. 94-329; 90 Stat. 729. This law has been amended several times since its enactment in 1976.

President, on a country-by-country basis, to permit countries to keep the proceeds of sale when it is in the U.S. national interest to do so. All applicable legal and policy controls of third country transfers would continue to apply to any sales of this equipment.

CARRYOVER FROM FISCAL YEAR 1983

Very briefly, Mr. Chairman, I want to mention a few of the fiscal year 1983 proposals which we are once again requesting in fiscal year 1984.

Authorization of an antiterrorism training program. Our proposal incorporates virtually all of the changes made by the committees last year. This program would become effective upon enactment of the bill to provide antiterrorism assistance. Authorization of $5 million is requested for fiscal year 1984.

Removal of prohibitions against assistance to China. This proposal removes China from the prohibited list of "Communist" countries in section 620(f) of the FAA.

Permit reciprocal no-cost exchange training on a one-for-one basis for professional military at war colleges and command and staff colleges. Establish a threshold of $50,000 on reprogramming notices to the Congress for international narcotics control and IMET programs.

Mr. Chairman, we are presenting you with several proposals—two fiscal year 1983 supplemental authorization bills plus the regular fiscal year 1984 bill. We request your urgent and careful consideration of them. The legislative and budgetary requests have been scrutinized thoroughly within the administration and meet all of our essential criteria in a very tight budget year. In conclusion, I ask you to consider not only the costs of providing the requested assistance, but also the costs of not providing it.

ARMS TRANSFER POLICY

With respect to arms transfers and arms transfer policy, I would merely reiterate what many officials of this administration have said before: we consider arms transfers to be an instrument of U.S. policy, not an exceptional instrument as our predecessors tried but in fact failed to establish nor as a largely commercial activity as is the case with a number of some other nations. We will continue to weigh carefully all of the relevant considerations likely to bear upon any specific arms transfer decision in order to determine whether that transfer is, on balance, in the clear U.S. national interest. These considerations include, of course, the military purpose of the proposed transfer, the ability of the recipient to absorb and operate the equipment, the economic impact of the proposed transfer upon the recipient, the impact upon surrounding states—stabilizing or destabilizing in the region—and so on. As a practical matter, we continue to turn down proposed sales at a rate not significantly lower than our predecessors. This approach, we firmly believe, is sensible and ensures that arms transfers are integrated effectively with other instruments of policy and contribute to our broader strategic objectives.

Arms transfers are inherently neither good nor evil. A given weapon system is not stabilizing or destabilizing as an abstract proposition. Arbitrary restraint and unrestricted transfers are equally unrelated to U.S. national interests. There is no virtue in cutting arms transfers, or increasing them, in the aggregate. Transfers can fairly be evaluated only in terms of their impact on specific U.S. interests in specific countries and regions, taking into account military, political and economic realities at the time.

We have established a rigorous internal review process on arms transfers. All relevant departments and agencies have an opportunity to review major proposed transfers and present their views. This provides me, and other decisionmakers, with assessments of military need, political impact, regional implications, arms control factors and affordability.

Sometimes there are clear and easy choices, that is, approval or disapproval is unambiguously in the U.S. interest. In other cases, there are valid pros and cons. We must then decide whether, on balance, a proposed transfer is in the U.S. interest. We consult with the Congress, both to factor your advice into the decisionmaking process and to acquaint you with the factors bearing on the case, to sensitize you to the grey areas, and to minimize potential differences if we approve a sale and transmit it to you pursuant to section 36(b) of the AECA.

We also give close scrutiny to transfers of systems that incorporate advanced or sensitive technology. We must be assured

that such technology will be adequately protected. This factor adds complexity to our analysis, because we must take into account the potential stability of recipient government over the lifetime of the equipment being sold. The probability that a country will continue to share common policy objectives with us over the long haul is an important consideration as well.

Arms transfers are not substitutes for other forms of diplomacy. They are not an alternative to a long-term coincidence of national security interests between the United States and another government. They cannot guarantee harmonious bilateral relationships when fundamental interests diverge. The Soviets learned this in Egypt, Somalia, and earlier in Indonesia or as we have experienced Iran and Ethiopia.

This being said, however, arms transfers should be and are an integral part of our security relationships with friendly countries who seek to deter and defend against neighbors who are, most likely, armed by the Soviets or other East Bloc countries. As I stated earlier in my testimony, if we want reliable friends, we must be one ourselves. Countries who cast their lot with the United States must know that they can count on our support to meet their legitimate military needs. Failure to respond prudently and appropriately to these needs would seriously damage our credibility as a leader of the free world, would increase the chances of U.S. forces having to be deployed in a crisis, and would jeopardize defense cooperation with countries which provide access and facilities to the U.S.A. military. Our ability to supply friendly nations with appropriate arms contributes to a reduction in what would be larger U.S. defense needs to meet our national security objectives.

Both my associates—General Gast of the Defense Security Assistance Agency and Mr. Turrentine of the Arms Control and Disarmament Agency—are prepared to speak further to this subject, but first I would like to provide some factual basis for our discussion.

Government-to-government arms sales have fluctuated in recent years, from $1.3 [13?] billion in fiscal 1979, and $15.3 billion in fiscal 1980, to $8.5 billion in fiscal 1981 and $21.5 billion in fiscal 1982. They are, of course, subject to inflation like other areas of the economy; thus the levels for the past 3 years, in constant fiscal year 1979 dollars, would more nearly approximate $13.6 billion, $6.6 billion and $16.3 billion respectively:

Foreign Military Sales Agreements

(Billions of dollars)

	1979	1980	1981	1982
Current dollars	$13.0	$15.3	$8.5	$21.5
Constant fiscal year 1979 dollars	13.0	13.6	6.6	16.3

Commercial military exports have, in recent years, approximated $2 billion or less per year. This figure might rise somewhat since the Congress removed the commercial arms sales ceiling several years ago.

The surge in arms sales in 1982 largely reflects the impact of several large transactions. During recent years, for example, the U.S. has approved or has under consideration the following major cases:

	Billions (about)
Trident for the U.K.	$4.0
F-18's for Spain	3.0
F-18's for Australia	2.6
F-16's for Israel	2.7

The four sales exceed $12 billion or more than half the fiscal year 1982 level of $21.5 billion. Adding the $8 billion Saudi AWACS package would, with just the five largest transfers of the past 2 or 3 years, virtually match the entire fiscal year 1982 total. Shifting such large sales from

one year to another can dramatically change annual totals, with absolutely no policy implications.

In fact, the high fiscal year 1982 levels following the low fiscal year 1981 level is largely an artifact of just such a shift of the Saudi AWACS package from fiscal year 1981 into fiscal year 1982 as a result of the extended congressional debate. Averaging those two fiscal years yields annual levels of some $15 billion—about the same as fiscal year 1980.

For the record, I would like to provide you with some additional detail on the major arms transfer recipients in fiscal year 1982.

Fiscal year 1982 major arms transfers recipients

	Millions
Saudi Arabia:	
Weapons-related	$5,170.0
Construction	1,844.0
Total	7,014.0
Australia	2,653.5
Egypt	1,943.2
Pakistan	1,422.9
South Korea	1,046.4
Total	14,080.0

These five countries, therefore, accounted for fully two-thirds of total fiscal year 1982 sales; adding the next largest eight recipients brings the total to nearly $17 billion or about 80 percent of the total for fiscal year 1982.

Venezuela	$615.3
Israel	544.3
Turkey	411.0
Netherlands	324.2
Tunisia	320.3
Taiwan	297.1
Japan	256.1
Federal Republic of Germany	79.9
Total	2,848.2

I would note that very few of these have been the subject of significant controversy.

With respect to fiscal year 1983, it is difficult at this point to make a confident projection; however, we will provide an estimate, in the classified arms sales proposal, as required by law. At this point, we have concluded some $5.7 billion in arms transfer agreements for the current fiscal year. Of this amount, about 60 percent is accounted for by just five sales—to Saudi Arabia, Japan, and NATO plus two NATO-member countries:

Major fiscal year 1983 arms transfer agreements—March 1, 1983

	Billions
Saudi naval program	$2.365
United Kingdom Trident program	1.178
Japan—helicopters	.275
NATO—missiles	.232
Netherlands—F-16's	.218

In conclusion, I would like to remind you of the relationship between arms sales and U.S. assistance programs. In general terms, our military financing has covered roughly 20 or 25 percent of annual approved arms sales agreements in recent years. The remainder has been paid for in cash. Of the financed portion, between two-thirds and three-fourths has been at the cost-of-money to the U.S. Treasury—in recent years as high as 14 percent. The remaining fraction has been paid for by grant U.S. financing, largely to Israel and Egypt.

Document 11

Address by President Reagan Before the Annual Convention of the National Association of Evangelicals, Orlando, Florida, March 8, 1983 (Extract) [15]

Moral Foundation for a Strong National Defense

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[15] Source: White House Press Release, March 8, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, March 14, 1983, pp. 367–370. The source text is the text as actually delivered.

There is sin and evil in the world. And we are enjoined by scripture and the Lord Jesus to oppose it with all our might. Our nation, too, has a legacy of evil with which it must deal. The glory of this land has been its capacity for transcending the moral evils of our past. For example, the long struggle of minority citizens for equal rights once a source of disunity and civil war is now a point of pride for all Americans. We must never go back. There is no room for racism, anti-semitism or other forms of ethnic and racial hatred in this country. (Applause) I know that you have been horrified, as have I, by the resurgence of some hate groups preaching bigotry and prejudice. Use the mighty voice of your pulpits and the powerful standing of your churches to denounce and isolate these hate groups in our midst. The commandment given us is clear and simple: "Thou shalt love thy neighbor as thyself." (Applause)

But whatever sad episodes exist in our past, any objective observer must hold a positive view of American history, a history that has been the story of hopes fulfilled and dreams made into reality. Especially in this century, America has kept alight the torch of freedom, but not just for ourselves, but for millions of others around the world.

And this brings me to my final point today. During my first press conference as President, in answer to a direct question, I pointed out that, as good Marxists-Leninists, the Soviet leaders have openly and publicly declared that the only morality they recognize is that which will further their cause, which is world revolution. [16] I think I should point out, I was only quoting Lenin, their guiding spirit who said in 1920 that they repudiate all morality that proceeds from supernatural ideas—that is their name for religion—or ideas that are outside class conceptions. Morality is entirely subordinate to the interests of class war. And everything is moral that is necessary for the annihilation of the old, exploiting social order and for uniting the proletariat.

Well, I think the refusal of many influential people to accept this elementary fact of Soviet doctrine illustrates an historical reluctance to see totalitarian powers for what they are. We saw this phenomenon in the 1930's. We see it too often today. This does not mean we should isolate ourselves and refuse to seek an understanding with them. I intend to do everything I can to persuade them of our peaceful intent, to remind them that it was the West that refused to use its nuclear monopoly in the 1940's and 1950's for territorial gain and which now proposes 50-percent cuts in strategic ballistic missiles and the elimination of an entire class of land-based intermediate-range nuclear missiles. (Applause)

At the same time, however, they must be made to understand we will never compromise our principles and standards. We will never give away our freedom. We will never abandon our belief in God. (Applause) And we will never stop searching for a genuine peace, but we can assure none of these things America stands for through the so-called nuclear freeze solutions proposed by some.

The truth is that a freeze now would be a very dangerous fraud, for that is merely the illusion of peace. The reality is that we must find peace through strength. (Applause)

I would agree to a freeze if only we could freeze the Soviets' global desires. (Applause) A freeze at current levels of weapons would remove any incentive for the Soviets to negotiate seriously in Geneva, and virtually end our chances to achieve the major arms reductions which we have proposed. Instead, they would achieve their objectives through the freeze. A freeze would reward the Soviet Union for its enormous and unparalleled military buildup. It would prevent the essential and long overdue modernization of United States and allied defenses and would leave our aging forces increasingly vulnerable. And an honest freeze would require extensive prior negotiations on the systems and numbers to be limited and on the measures to ensure effective verification and compliance. And the kind of a freeze that has been suggested would be virtually impossible to verify. Such a major effort would divert us completely from our current negotiations on achieving substantial reductions. (Applause)

A number of years ago, I heard a young father, a very prominent young man in the entertainment world, addressing a tremendous gathering in California. It was during the time of the cold war and communism

[16] For the pertinent portion of the transcript of President Reagan's press conference of January 27, 1981, see *American Foreign Policy: Current Documents, 1981*, p. 545.

and our own way of life were very much on people's minds. And he was speaking to that subject. And suddenly, though, I heard him saying, "I love my little girls more than anything—" And I said to myself, "Oh, no, don't. You can't—don't say that." But I had underestimated him. He went on: "I would rather see my little girls die now, still believing in God, than have them grow up under communism and one day die no longer believing in God." (Applause)

There were thousands of young people in that audience. They came to their feet with shouts of joy. They had instantly recognized the profound truth in what he had said, with regard to the physical and the soul and what was truly important.

Yes, let us pray for the salvation of all of those who live in that totalitarian darkness—pray they will discover the joy of knowing God. But until they do, let us be aware that while they preach the supremacy of the state, declare its omnipotence over individual man, and predict its eventual domination of all peoples on the Earth—they are the focus of evil in the modern world. It was C.S. Lewis who, in his unforgettable *Screwtape Letters*, wrote: "The greatest evil is not done now in those sordid 'dens of crime' that Dickens loved to paint. It is not even done in concentration camps and labor camps. In those we see its final result. But it is conceived and ordered (moved, seconded, carried, and minuted) in clear, carpeted, warmed, and well-lighted offices, by quiet men with white collars and cut fingernails and smooth-shaven cheeks who do not need to raise their voice."

Because these "quiet men" do not "raise their voices," because they sometimes speak in soothing tones of brotherhood and peace, because, like other dictators before them, they're always making "their final territorial demand," some would have us accept them at their word and accommodate ourselves to their aggressive impulses. But, if history teaches anything, it teaches that simple-minded appeasement or wishful thinking about our adversaries is folly. It means the betrayal of our past, the squandering of our freedom.

So, I urge you to speak out against those who would place the United States in a position of military and moral inferiority. You know, I've always believed that old Screwtape reserved his best efforts for those of you in the church. So, in your discussions of the nuclear freeze proposals, I urge you to beware the temptation of pride—the temptation of blithely declaring yourselves above it all and label both sides equally at fault, to ignore the facts of history and the aggressive impulses of an evil empire, to simply call the arms race a giant misunderstanding and thereby remove yourself from the struggle between right and wrong and good and evil.

I ask you to resist the attempts of those who would have you withhold your support for our efforts, this administration's efforts, to keep America strong and free, while we negotiate real and verifiable reductions in the world's nuclear arsenals and one day, with God's help, their total elimination. (Applause)

While America's military strength is important, let me add here that I have always maintained that the struggle now going on for the world will never be decided by bombs or rockets, by armies or military might. The real crisis we face today is a spiritual one; at root, it is a test of moral will and faith.

Whittaker Chambers, the man whose own religious conversion made him a witness to one of the terrible traumas of our time, the Hiss-Chambers case, wrote that the crisis of the Western world exists to the degree in which the West is indifferent to God, the degree to which it collaborates in communism's attempt to make man stand alone without God. And then he said, "For Marxism-Leninism is actually the second oldest faith first proclaimed in the Garden of Eden with the words of temptation, 'Ye shall be as gods.'"

"The Western world can answer this challenge," he wrote, "but only provided that its faith in God and the freedom he enjoins is as great as communism's faith in man."

I believe we shall rise to the challenge. I believe that communism is another sad, bizarre chapter in human history whose last pages even now are being written. I believe this because the source of our strength in the quest for human freedom is not material but spiritual. And because it knows no limitation, it must terrify and ultimately triumph over those who would enslave their fellow man. For in the words of Isaiah: "He giveth power to the faint; and to them that have no might He in-

creased strength. . . . But they that wait upon the Lord shall renew their strength; they shall mount up with wings as eagles; they shall run and not be weary. . . ." (Applause)

Yes, change your world. One of our Founding Fathers, Thomas Paine, said, "We have it within our power to begin the world over again." We can do it doing together what no one church could do by itself. God bless you and thank you very much. (Applause)

Document 12

Statement by President Reagan, March 9, 1983 [17]

Soviet Military Power

Our defense policy is based on a very simple premise: the United States will not start fights. We will not be the first to use aggression. We will not seek to occupy other lands or control other peoples. Our strategy is defensive; our aim is to protect the peace by ensuring that no adversaries ever conclude they could best us in a war of their own choosing.

What this means is that we design our defense program not to further ambitions, but to counter threats. Today, and for the foreseeable future, the greatest of these threats comes from the Soviet Union, the only nation with the military power to inflict mortal damage directly on the United States.

This also means that if the American people are asked to support our defense program, they must get the straight facts about this threat. The Defense Department's first edition of *Soviet Military Power* gave them those facts; this revised edition will keep them up to date and will give them a new opportunity to compare Soviet forces with our own. [18]

The facts in this book are straightforward. The Soviets have not slowed the pace of their enormous military buildup. In little over a year, they have begun testing new models in almost every class of nuclear weapons. They are dramatically expanding their Navy and Air Force, are training and equipping their ground forces for preemptive attack, and are using their military power to extend their influence and enforce their will in every corner of the globe.

We must continue to demonstrate our resolve not to allow the military balance to tip against the United States. By demonstrating that resolve, we will not only deter aggression, but we will also offer the Soviets a real incentive to accept genuine, mutual arms reduction.

Let me quote a statement Winston Churchill made to the House of Commons in late 1934, as he urged the British to stop dismantling their defenses:

> "To urge the preparation of defense is not to assert the imminence of war. I do not believe that war is imminent or that war is inevitable, but . . . that if we do not begin forthwith to put ourselves in a position of security, it will soon be beyond our power to do so."

A strong, credible American defense is indispensable to protecting the peace and preserving the free way of life our people cherish.

Document 13

Address by President Reagan, March 23, 1983 [19]

Peace and National Security

My fellow Americans, thank you for sharing your time with me tonight.

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[17] Source: White House Press Release, March 9, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, March 14, 1983, pp. 372–373.

[18] U.S. Department of Defense, *Soviet Military Power* (Washington, 1983).

[19] Source: White House Press Release, March 23, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, March 28, 1983, pp. 442–448. The address was broadcast live on nationwide radio and television from the Oval Office of the White House beginning at 8:02 p.m. The photographs the President refers to are not reproduced.

The subject I want to discuss with you, peace and national security, is both timely and important. Timely, because I've reached a decision which offers a new hope for our children in the 21st century, a decision I'll tell you about in a few minutes. And important because there's a very big decision that you must make for yourselves.

This subject involves the most basic duty that any President and any people share, the duty to protect and strengthen the peace.

At the beginning of this year, I submitted to the Congress a defense budget which reflects my best judgment of the best understanding of the experts and specialists who advised me about what we and our allies must do to protect our people in the years ahead. That budget is much more than a long list of numbers. For behind all the numbers lies America's ability to prevent the greatest of human tragedies and preserve our free way of life in a sometimes dangerous world. It is part of a careful, long-term plan to make America strong again after too many years of neglect and mistakes.

Our efforts to rebuild America's defenses and strengthen the peace began 2 years ago when we requested a major increase in the defense program. Since then, the amount of those increases we first proposed has been reduced by half, through improvements in management and procurement and other savings.

The budget request that is now before the Congress has been trimmed to the limits of safety. Further deep cuts cannot be made without seriously endangering the security of the nation. The choice is up to the men and women you have elected to the Congress and that means the choice is up to you.

Tonight, I want to explain to you what this defense debate is all about and why I'm convinced that the budget now before the Congress is necessary, responsible, and deserving of your support. And I want to offer hope for the future.

But first, let me say what the defense debate is not about. It is not about spending arithmetic. I know that in the last few weeks you have been bombarded with numbers and percentages. Some say we need only a 5 percent increase in defense spending. The so-called alternate budget backed by liberals in the House of Representatives would lower the figure to 2 to 3 percent, cutting our defense spending by $163 billion over the next 5 years.

The trouble with all these numbers is that they tell us little about the kind of defense program America needs or the benefits and security and freedom that our defense effort buys for us.

What seems to have been lost in all this debate is the simple truth of how a defense budget is arrived at. It isn't done by deciding to spend a certain number of dollars. Those loud voices that are occasionally heard charging that the government is trying to solve a security problem by throwing money at it are nothing more than noise based on ignorance. We start by considering what must be done to maintain peace and review all the possible threats against our security. Then, a strategy for strengthening peace and defending against those threats must be agreed upon. And, finally, our defense establishment must be evaluated to see what is necessary to protect against any or all of the potential threats. The cost of achieving these ends is totaled up and the result is the budget for national defense.

There is no logical way that you can say, let's spend X billion dollars less. You can only say, which part of our defense measures do we believe we can do without and still have security against all contingencies? Anyone in the Congress who advocates a percentage or a specific dollar cut in defense spending should be made to say what part of our defenses he would eliminate, and he should be candid enough to acknowledge that his cuts mean cutting our commitments to allies or inviting greater risk or both.

The defense policy of the United States is based on a simple premise: The United States does not start fights. We will never be an aggressor. We maintain our strength in order to deter and defend against aggression—to preserve freedom and peace.

Since the dawn of the atomic age, we've sought to reduce the risk of war by maintaining a strong deterrent and by seeking genuine arms control. "Deterrence" means simply this: Making sure any adversary who thinks about attacking the United States, or our allies, or our vital interests, concludes that the risks to him outweigh any potential gains. Once he understands that, he won't attack. We maintain the

peace through our strength; weakness only invites aggression.

This strategy of deterrence has not changed. It still works. But what it takes to maintain deterrence has changed. It took one kind of military force to deter an attack when we had far more nuclear weapons than any other power; it takes another kind now that the Soviets, for example, have enough accurate and powerful nuclear weapons to destroy virtually all of our missiles on the ground. Now this is not to say that the Soviet Union is planning to make war on us. Nor do I believe a war is inevitable—quite the contrary. But what must be recognized is that our security is based on being prepared to meet all threats.

There was a time when we depended on coastal forts and artillery batteries because, with the weaponry of that day, any attack would have had to come by sea. Well, this is a different world and our defenses must be based on recognition and awareness of the weaponry possessed by other nations in the nuclear age.

We can't afford to believe that we will never be threatened. There have been two world wars in my lifetime. We didn't start them and, indeed, did everything we could to avoid being drawn into them. But we were ill-prepared for both—had we been better prepared, peace might have been preserved.

For 20 years the Soviet Union has been accumulating enormous military might. They didn't stop when their forces exceeded all requirements of a legitimate defensive capability. And they haven't stopped now. During the past decade and a half, the Soviets have built up a massive arsenal of new strategic nuclear weapons—weapons that can strike directly at the United States.

As an example, the United States introduced its last new intercontinental ballistic missile, the Minute Man III, in 1969, and we're now dismantling our even older Titan missiles. But what has the Soviet Union done in these intervening years? Well, since 1969, the Soviet Union has built five new classes of ICBMs, and upgraded these eight times. As a result, their missiles are much more powerful and accurate than they were several years ago and they continue to develop more, while ours are increasingly obsolete.

The same thing has happened in other areas. Over the same period, the Soviet Union built four new classes of submarine-launched ballistic missiles and over 60 new missile submarines. We built two new types of submarine missiles and actually withdrew ten submarines from strategic missions. The Soviet Union built over 200 new Backfire bombers, and their brand new Blackjack bomber is now under development. We haven't built a new long-range bomber since our B-52's were deployed about a quarter of a century ago, and we've already retired several hundred of those because of old age. Indeed, despite what many people think, our strategic forces only cost about 15 percent of the defense budget.

Another example of what's happened: In 1978, the Soviets had 600 intermediate-range nuclear missiles based on land and were beginning to add the SS-20—a new, highly accurate mobile missile, with three warheads. We had none. Since then the Soviets have strengthened their lead. By the end of 1979, when Soviet leader Brezhnev declared "a balance now exists," the Soviets had over 800 warheads. We still had none. A year ago this month, Mr. Brezhnev pledged a moratorium, or freeze, on SS-20 deployment. But by last August, their 800 warheads had become more than 1,200. We still had none. Some freeze. At this time Soviet Defense Minister Ustinov announced "approximate parity of forces continues to exist." But the Soviets are still adding an average of three new warheads a week, and now have 1,300. These warheads can reach their targets in a matter of a few minutes. We still have none. So far, it seems that the Soviet definition of parity is a box score of 1,300 to nothing, in their favor.

So, together with our NATO allies, we decided in 1979 to deploy new weapons, beginning this year, as a deterrent to their SS-20's and as an incentive to the Soviet Union to meet us in serious arms control negotiations. We will begin that deployment late this year. At the same time, however, we're willing to cancel our program if the Soviets will dismantle theirs. This is what we've called a zero-zero plan. The Soviets are now at the negotiating table—and I think it's fair to say that without our planned deployments, they wouldn't be there.

Now, let's consider conventional forces. Since 1974, the United States has pro-

duced 3,050 tactical combat aircraft. By contrast, the Soviet Union has produced twice as many. When we look at attack submarines, the United States has produced 27 while the Soviet Union has produced 61. For armored vehicles, including tanks, we have produced 1,200 [*11,200*].[20] The Soviet Union has produced 54,000—nearly 5 to 1 in their favor. Finally, with artillery, we have produced 950 artillery and rocket launchers while the Soviets have produced more than 13,000—a staggering 14 to 1 ratio.

There was a time when we were able to offset superior Soviet numbers with higher quality. But today, they are building weapons as sophisticated and modern as our own. As the Soviets have increased their military power, they have been emboldened to extend that power. They are spreading their military influence in ways that can directly challenge our vital interests and those of our allies.

The following aerial photographs, most of them secret until now, illustrate this point in a crucial area very close to home: Central America and the Caribbean Basin. They are not dramatic photographs. But I think they help give you a better understanding of what I am talking about.

This Soviet intelligence collection facility less than 100 miles from our coast is the largest of its kind in the world. The acres and acres of antennae fields and intelligence monitors are targeted on key U.S. military installations and sensitive activities. The installation in Lourdes, Cuba is manned by 1,500 Soviet technicians. And the satellite ground station allows instant communications with Moscow. This 28-square-mile facility has grown by more than 60 percent in size and capability during the past decade.

In western Cuba, we see this military airfield and its complement of modern, Soviet-built MIG–23 aircraft. The Soviet Union uses this Cuban airfield for its own long-range reconnaissance missions. And earlier this month, two modern Soviet anti-submarine warfare aircraft began operating from it. During the past 2 years, the level of Soviet arms exports to Cuba can only be compared to the levels reached during the Cuban missile crisis 20 years ago.

This third photo, which is the only one in this series that has been previously made public, shows Soviet military hardware that has made its way to Central America. This airfield with its MI–8 helicopters, anti-aircraft guns, and protected fighter sites is one of a number of military facilities in Nicaragua which has received Soviet equipment funneled through Cuba, and reflects the massive military buildup going on in that country.

On the small island of Grenada, at the southern end of the Caribbean chain, the Cubans with Soviet financing and backing are in the process of building an airfield with a 10,000-foot runway. Grenada doesn't even have an air force. Who is it intended for? The Caribbean is a very important passage way for our international commerce and military lines of communication. More than half of all American oil imports now pass through the Caribbean. The rapid buildup of Grenada's military potential is unrelated to any conceivable threat to this island country of under 110,000 people and totally at odds with the pattern of other eastern Caribbean states, most of which are unarmed.

The Soviet-Cuban militarization of Grenada, in short, can only be seen as power projection into the region. And it is in this important economic and strategic area that we're trying to help the Governments of El Salvador, Costa Rica, Honduras, and others in their struggles for democracy against guerrillas supported through Cuba and Nicaragua.

These pictures only tell a small part of the story. I wish I could show you more without compromising our most sensitive intelligence sources and methods. But the Soviet Union is also supporting Cuban military forces in Angola and Ethiopia. They have bases in Ethiopia and South Yemen, near the Persian Gulf oil fields. They have taken over the port that we built at Cam Ranh Bay in Vietnam. And now for the first time in history, the Soviet Navy is a force to be reckoned with in the South Pacific.

Some people may still ask: Would the Soviets ever use their formidable military power? Well, again, can we afford to believe they won't? There is Afghanistan. And in Poland, the Soviets denied the will of the people and in so doing demonstrated to the world how their military power could also be used to intimidate.

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[20] The correct figure of 11,200 appears in the *Weekly Compilation of Presidential Documents* text.

The final fact is that the Soviet Union is acquiring what can only be considered an offensive military force. They have continued to build far more intercontinental ballistic missiles than they could possibly need simply to deter an attack. Their conventional forces are trained and equipped not so much to defend against an attack as they are to permit sudden surprise offenses of their own.

Our NATO allies have assumed a great defense burden, including the military draft in most countries. We're working with them and our other friends around the world to do more. Our defensive strategy means we need military forces that can move very quickly, forces that are trained and ready to respond to any emergency.

Every item in our defense program, our ships, our tanks, our planes, our funds for training and spare parts is intended for one all-important purpose, to keep the peace. Unfortunately, a decade of neglecting our military forces has called into question our ability to do that.

When I took office in January 1981, I was appalled by what I found: American planes that couldn't fly and American ships that couldn't sail for lack of spare parts and trained personnel and insufficient fuel and ammunition for essential training. The inevitable result of all this was poor morale in our armed forces, difficulty in recruiting the brightest young Americans to wear the uniform, and difficulty in convincing our most experienced military personnel to stay on.

There was a real question then about how well we could meet a crisis. And it was obvious that we had to begin a major modernization program to ensure we could deter aggression and preserve the peace in the years ahead.

We had to move immediately to improve the basic readiness and staying power of our conventional forces, so they could meet—and therefore help deter—a crisis. We had to make up for lost years of investment by moving forward with a long-term plan to prepare our forces to counter the military capabilities our adversaries were developing for the future.

I know that all of you want peace and so do I. I know too that many of you seriously believe that a nuclear freeze would further the cause of peace. But a freeze now would make us less, not more, secure and would raise, not reduce, the risks of war. It would be largely unverifiable and would seriously undercut our negotiations on arms reduction. It would reward the Soviets for their massive military buildup while preventing us from modernizing our aging and increasingly vulnerable forces. With their present margin of superiority, why should they agree to arms reductions knowing that we were prohibited from catching up?

Believe me, it wasn't pleasant for someone who had come to Washington determined to reduce government spending, but we had to move forward with the task of repairing our defenses or we would lose our ability to deter conflict now and in the future. We had to demonstrate to any adversary that aggression could not succeed, and that the only real solution was substantial, equitable, and effectively verifiable arms reduction—the kind we're working for right now in Geneva.

Thanks to your strong support, and bipartisan support from the Congress, we began to turn things around. Already, we're seeing some very encouraging results. Quality recruitment and retention are up, dramatically—more high school graduates are choosing military careers and more experienced career personnel are choosing to stay. Our men and women in uniform at last are getting the tools and training they need to do their jobs.

Ask around today, especially among our young people, and I think you will find a whole new attitude toward serving their country. This reflects more than just better pay, equipment, and leadership. You the American people have sent a signal to these young people that it is once again an honor to wear the uniform. That's not something you measure in a budget, but it's a very real part of our nation's strength.

It'll take us longer to build the kind of equipment we need to keep peace in the future, but we've made a good start.

We haven't built a new long-range bomber for 21 years. Now we're building the B-1. We hadn't launched one new strategic submarine for 17 years. Now we're building one Trident submarine a year. Our land-based missiles are increasingly threatened by the many huge, new Soviet ICBMs. We're determining how to solve that problem. At the same time, we're working in the START and INF ne-

gotiations with the goal of achieving deep reductions in the strategic and intermediate nuclear arsenals of both sides.

We have also begun the long-needed modernization of our conventional forces. The Army is getting its first new tank in 20 years. The Air Force is modernizing. We're rebuilding our Navy which shrank from about 1,000 ships in the late 1960's to 453 during the 1970's. Our nation needs a superior navy to support our military forces and vital interests overseas. We're now on the road to achieving a 600-ship navy and increasing the amphibious capabilities of our Marines who are now serving the cause of peace in Lebanon. And we're building a real capability to assist our friends in the vitally-important Indian Ocean and Persian Gulf region.

This adds up to a major effort, and it isn't cheap. It comes at a time when there are many other pressures on our budget, and when the American people have already had to make major sacrifices during the recession. But we must not be misled by those who would make defense once again the scapegoat of the Federal budget.

The fact is that in the past few decades we have seen a dramatic shift in how we spend the taxpayer's dollar. Back in 1955, payments to individuals took up only about 20 percent of the Federal budget. For nearly three decades, these payments steadily increased and this year will account for 49 percent of the budget. By contrast, in 1955, defense took up more than half of the Federal budget. By 1980, this spending had fallen to a low of 23 percent. Even with the increase that I am requesting this year, defense will still amount to only 28 percent of the budget.

The calls for cutting back the defense budget come in nice simple arithmetic. They're the same kind of talk that led the democracies to neglect their defenses in the 1930's and invited the tragedy of World War II. We must not let that grim chapter of history repeat itself through apathy or neglect.

This is why I'm speaking to you tonight—to urge you to tell your Senators and Congressmen that you know we must continue to restore our military strength. If we stop in midstream, we will send a signal of decline, of lessened will, to friends and adversaries alike. Free people must voluntarily, through open debate and democratic means, meet the challenge that totalitarians pose by compulsion. It's up to us, in our time, to choose and choose wisely between the hard but necessary task of preserving peace and freedom and the temptation to ignore our duty and blindly hope for the best while the enemies of freedom grow stonger day by day.

The solution is well within our grasp. But to reach it, there is simply no alternative but to continue this year, in this budget, to provide the resources we need to preserve the peace and guarantee our freedom.

Now, thus far tonight I have shared with you my thoughts on the problems of national security we must face together. My predecessors in the Oval Office have appeared before you on other occasions to describe the threat posed by Soviet power and have proposed steps to address that threat. But since the advent of nuclear weapons, those steps have been increasingly directed toward deterrence of aggression through the promise of retaliation. This approach to stability through offensive threat has worked. We and our allies have succeeded in preventing nuclear war for more than three decades. In recent months, however, my advisers, including in particular the Joint Chiefs of Staff, have underscored the necessity to break out of a future that relies solely on offensive retaliation for our security. Over the course of these discussions, I have become more and more deeply convinced that the human spirit must be capable of rising above dealing with other nations and human beings by threatening their existence. Feeling this way, I believe we must thoroughly examine every opportunity for reducing tensions, and for introducing greater stability into the strategic calculus on both sides.

One of the most important contributions we can make is, of course, to lower the level of all arms, and particularly nuclear arms. We are engaged right now in several negotiations with the Soviet Union to bring about a mutual reduction of weapons.

I will report to you a week from tomorrow my thoughts on that score. [21] But let

[21] See document 36.

me just say, I am totally committed to this course. If the Soviet Union will join with us in our effort to achieve major reduction, we will have succeeded in stabilizing the nuclear balance. Nevertheless, it will still be necessary to rely on the specter of retaliation, on mutual threat. And that is a sad commentary on the human condition. Wouldn't it be better to save lives than to avenge them? Are we not capable of demonstrating our peaceful intentions by applying all our abilities and our ingenuity to achieving a truly lasting stability?

I think we are. Indeed, we must. After careful consultation with my advisers including the Joint Chiefs of Staff, I believe there is a way. Let me share with you a vision of the future which offers hope. It is that we embark on a program to counter the awesome Soviet missile threat with measures that are defensive. Let us turn to the very strengths in technology that spawned our great industrial base, and that have given us the quality of life we enjoy today.

What if free people could live secure in the knowledge that their security did not rest upon the threat of instant U.S. retaliation to deter a Soviet attack, that we could intercept and destroy strategic ballistic missiles before they reached our own soil or that of our allies?

I know this is a formidable, technical task, one that may not be accomplished before the end of this century. Yet, current technology has attained a level of sophistication where it is reasonable for us to begin this effort. It will take years, probably decades of effort on many fronts. There will be failures and setbacks, just as there will be successes and breakthroughs. And as we proceed, we must remain constant in preserving the nuclear deterrent and maintaining a solid capability for flexible response.

But isn't it worth every investment necessary to free the world from the threat of nuclear war? We know it is. In the meantime, we will continue to pursue real reductions in nuclear arms, negotiating from a position of strength that can be assured only by modernizing our strategic forces.

At the same time, we must take steps to reduce the risk of a conventional military conflict escalating to nuclear war by improving our non-nuclear capabilities. America does possess—now—the technologies to attain very significant improvements in the effectiveness of our conventional, non-nuclear forces. Proceeding boldly with these new technologies, we can significantly reduce any incentive that the Soviet Union may have to threaten attack against the United States or its allies.

As we pursue our goal of defensive technologies, we recognize that our allies rely upon our strategic offensive power to deter attacks against them. Their vital interests and ours are inextricably linked. Their safety and ours are one. And no change in techonology can or will alter that reality. We must and shall continue to honor our commitments.

I clearly recognize that defensive systems have limitations and raise certain problems and ambiguities. If paired with offensive systems, they can be viewed as fostering an aggressive policy, and no one wants that.

But with these considerations firmly in mind, I call upon the scientific community in our country, those who gave us nuclear weapons, to turn their great talents now to the cause of mankind and world peace, to give us the means of rendering these nuclear weapons impotent and obsolete.

Tonight, consistent with our obligations of the ABM Treaty [22] and recognizing the need for closer consultation with our allies, I'm taking an important first step. I am directing a comprehensive and intensive effort to define a long-term research and development program to begin to achieve our ultimate goal of eliminating the threat posed by strategic nuclear missiles. This could pave the way for arms control measures to eliminate the weapons themselves. We seek neither military superiority nor political advantage. Our only purpose—one all people share—is to search for ways to reduce the danger of nuclear war.

My fellow Americans, tonight we're launching an effort which holds the promise of changing the course of human history. There will be risks, and results take time. But I believe we can do it. As we cross this threshold, I ask for your prayers and your support. Thank you. Good night. And God bless you.

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[22] Anti-Ballistic Missile Systems Treaty, signed by the United States and the Soviet Union on May 26, 1972. For text, see 23 UST 3435.

Document 14

Statement Issued by the White House, March 23, 1983 [23]

National Security Decision Directive on Ballistic Missile Defense Research and Development

Today the President issued a National Security Decision Directive addressing his intent to direct the development of an intensive effort to define a long term research and development program aimed at an ultimate goal of eliminating the threat posed by nuclear ballistic missiles as announced in his speech of March 23, 1983. [24]

The document directs the following:

It is my policy to take every opportunity to reduce world tensions and enhance stability. Our efforts to achieve significant reductions in strategic offensive forces and to eliminate LRINF land based missiles are one approach to that aim. However, it is my long range goal to go beyond this. I would like to decrease our reliance on the threat of retaliation by offensive nuclear weapons and to increase the contribution of defensive systems to our security and that of our allies. To begin to move us toward that goal, I have concluded that we should explore the possibility of using defensive capabilities to counter the threat posed by nuclear ballistic missiles.

I direct the development of an intensive effort to define a long term research and development program aimed at an ultimate goal of eliminating the threat posed by nuclear ballistic missiles. These actions will be carried out in a manner consistent with our obligations under the ABM Treaty and recognizing the need for close consultations with our allies.

In order to provide the necessary basis for this effort, I further direct a study be completed on a priority basis to assess the roles that ballistic missile defense could play in future security strategy of the United States and our allies. Among other items, the study will provide guidance necessary to develop research and development funding commitments for the FY 85 Departmental budgets and the accompanying Five-Year Defense Program (FYDP).

The Assistant to the President for National Security Affairs is assigned the responsibility to formulate detailed instructions for implementing this NSDD including organization, assignment of responsibilities, and completion dates.

Document 15

Statement by the Chairman of the President's Commission on Strategic Forces (Scowcroft), April 11, 1983 [25]

Report of the Scowcroft Commission

I think, since you really have not had a chance to go over our report, [26] that it would be useful for me to take 5 minutes or so to outline some of its major elements as background for your questions.

It is a closely reasoned report, I hope. And, therefore, I would urge that you read it carefully. I will not pretend to cover all of it, but simply touch some of the highlights.

The report begins by outlining the central dilemma for us—of coping with Soviet

[23] Source: White House Press Release, March 25, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, March 28, 1983, pp. 462–463.

[24] *Supra.*

[25] Source: White House Press Release, April 11, 1983, Office of the Press Secretary to the President. The statement was made at the outset of a press briefing held at the Old Executive Office Building beginning at 12:12 p.m. Those present included Commission members, John Deutch, Alexander M. Haig., Jr., and James Woolsey; and Counselors to the Commission Harold Brown, Lloyd Cutler, Melvin Laird, and James Schlesinger. For the statement announcing the establishment and membership of the Commission, January 3, 1983, see *Weekly Compilation of Presidential Documents*, January 10, 1983, pp. 3–4. General Scowcroft's statement was followed by a question-and-answer session.

[26] Report of the President's Commission on Strategic Forces, April 11, 1983.

expansionism, while avoiding the devastation of a nuclear war. It then goes on to discuss the nature and the requirements of deterrence and the manner in which arms control can make a contribution to that deterrence. It points out that the Soviets place great emphasis on their military forces, at least as a backdrop for their political designs.

For example, Soviet investment in ICBM forces underscores the importance, in their eyes, of the role that those forces play for them. Thus, since the deployment of the last U.S. ICBM—the Minuteman III—the Soviets have deployed the SS-17, the 18, and the 19—over 600 missiles of MX size or larger. And they are, now, in the process of testing two new ones.

Since the fundamental purpose of U.S. strategic forces is deterrence, it is vital for us to understand the importance of military power in the Soviet scheme of things. To maintain and enhance deterrence, the United States has been modernizing its strategic forces. The report discusses that modernization with emphasis, of course, on ICBM forces—which is at the heart of our current, national problems on strategic force modernization.

Our analysis has convinced us that this issue has come, in part, to be miscast. And our report recommends what we feel is a major, new departure. We are proposing new directions both in ICBM forces and in arms control. That new departure, fundamentally, is to integrate strategic force programs with arms control, and to move both in the direction of stability.

We would accomplish this through a three-part program. The first part would be the immediate deployment of something like a hundred MX missiles for a number of reasons, among which are the following.

First and certainly not least, to demonstrate U.S. national will and cohesion—we have now had four Presidents who have said that the MX is important, if not essential, to our national security. Failure to carry through with this program would hardly demonstrate to the Soviets that we have the will, which is an essential element of deterrence.

Next, in order to reduce the substantial imbalance in the capability of U.S. ICBM forces compared to those of the Soviet Union—the Soviets can, with their ICBM forces, put our forces and other critical targets at risk in a way that the United States cannot begin to match. This is an important element of instability.

But, very importantly, the MX is essential to induce the Soviets toward negotiation, especially negotiation on an arms control framework which would permit us, and encourage them, to move in the direction of greater stability.

For the longer run, the Commission proposes engineering design of a small, single-warhead missile—looking toward possible deployment in the early 1990's. We suggest a single-warhead missile in order to reduce the value of the target, making it unremunerative to attack and, thus, enhancing the stability of the force—and small in order to open up, to a maximum extent, the opportunities for survivable basing, almost certainly including mobile.

In order to provide the environment which will support the deployment of a small missile, a new departure in arms control is needed. Counting by launchers has, perversely, led us to the present structure of very high valued targets, large missiles with a number of warheads.

We must, therefore, turn to counting our forces on both sides by warheads, and not by launchers. After moving to count warheads, it would be, then, useful to cap or reduce the numbers sharply in order that a deployment of great numbers of small missiles would not be necessary.

This, in turn, gets us back to the MX, which is essential to induce the Soviets to negotiate away what is currently a favorable strategic position for them in ICBM forces, hopefully, to encourage them to move in the same strategic direction by making clear that their huge missiles in silos are a wasting asset.

For this, we believe that MX deployed in Minuteman silos is an adequate response at reasonable cost. It is true that, whatever the current survivability of Minuteman silos, they are becoming more vulnerable. We do propose a vigorous R&D program on silo hardening and, of course, would take advantage of any developments which result from that research and development, either with the MX or, conceivably, with the small missile.

The fundamental requirement for survivability of our ICBM force is as a hedge

against a Soviet breakthrough in anti-submarine warfare, putting our submarine-launched ballistic missiles at risk. We do not see that on the horizon at the present time. And we are proposing the small missile in the longer run to enhance survivability of the ICBM force.

For the present, we believe that vulnerability is not so dominant a part of the overall problem as to require other, immediate steps. We believe that the Soviets must have some uncertainties about their operational capabilities, notwithstanding whatever their test accuracies indicate to them. But especially, we feel that there still is an important synergistic survivability between the ICBM forces and the bomber forces in that it is difficult, if not impossible, for the Soviets to attack both of them simultaneously.

That, in brief, is the outline of our recommendations. Few, if any, will consider our recommendations an optimal solution. If such were available, this Commission probably would not have been convened. We have tried to construct an approach which is different in kind, however, which promises a major, new departure for the United States in the direction of enhanced stability for our strategic forces and, hopefully, an approach which will permit a consensus to develop, allowing us to put the divisiveness of the past—both in arms control and in our strategic forces—behind us and allow us to move forward with a more common perspective in our efforts to preserve both peace and liberty.

Document 16

Address by the Secretary of Defense (Weinberger) Before the Aviation and Space Writers Association, Arlington, Virginia, April 11, 1983 [27]

Ballistic Missile Defense

I am delighted to be here this morning to speak before such a distinguished group of aviation and space experts. I imagine that you have been more than a little busy lately analyzing the proposal on ballistic missile defense that President Reagan put forward 2 weeks ago. [28] The President's initiative has created quite a bit of interest on the part of our allies, Congress, the defense community, the media, and within government. Some have been skeptical, others cautiously supportive, and some merely confused. This was not unexpected, nor should it be considered unusual. New ideas, particularly when they go against conventional wisdom, are often greeted with doubt, cynicism, or wild speculation.

I would like to talk this morning about the President's proposal that we develop strategic defense, and report why we think it is not only a realistic goal, but argue that, if obtained, it could reduce the fears and lift the hopes of all mankind. First, however, I would like to discuss what the President's proposal is *not*:

—It is not a hasty, ill-conceived scheme

—It is not a star wars fantasy

—It is not a quest for a first strike capability

—It is not a retreat to Fortress America

—It is not a substitute for deterrence or arms control

It is not a hasty ill-conceived scheme; indeed the vision of defending against nuclear attack and freeing us from the terror of nuclear weapons is one the President has held for many years. Before announcing this proposal the President held lengthy meetings with his top advisers—both civilian and military—on technical and policy matters. We all recognized that the search for strategic defense will not be without problems—technical, diplomatic, and political—but we all agreed with the President that the goal of strategic defense is so eminently desirable that we can and will find solutions to any problems that might develop along the way.

The quest for a system to defend against ballistic missile attack is not a star wars fantasy or a pipe dream, as some skeptics have suggested. While we are fully aware of the magnitude of this challenge, we have, understandably, great faith in our technical and scientific genius. Time and time again we have seen yesterday's science fiction become today's reality. Who would have believed in 1870 that

[27] Source: Department of Defense files.

[28] See document 13.

the *Nautilus*, the self-sustaining undersea vessel Jules Verne described that year in *20,000 Leagues Under the Sea* would become a reality by 1955? Who would have believed when we formed NASA in 1958 that we would have a man on the moon by 1969? Thirty years ago television sets were just coming on the market; today you can turn a dial and watch a continent away. Thirty years ago the prospect of converting the Sun's energy into usable power was considered preposterous. Last week a solar-powered airplane flew the English Channel. Twenty years ago an electronic computer filled an entire room and cost thousands of dollars; today one fits in the palm of a hand and costs less than $20.

This list could go on and on. What it tells us is that no one of us can say with certainty what can be accomplished—or what cannot—if and when we turn our creative talents to it. The fact that we do not yet know the answer should not be an excuse to delay the quest. As President Kennedy once said, "All this will not be finished in the first one hundred days. Nor will it be finished in the first one thousand days, nor in the life of this administration, nor even perhaps in our lifetime on this planet. But let us begin."

Some, wedded to strategic theories and literature of the past, have called the President's proposal the drive for a first strike capability that would upset superpower stability and provoke the Soviet Union. The President's proposal would in fact do just the opposite. An effective shield against ballistic missile attack would prevent aggression by neutralizing an aggressor's offensive capability. We know the Soviet Union has been working to achieve these same defensive systems for many years, and we hope that they will continue. A truly stable superpower relationship would be one in which both sides were protected from attack. Deterrence would be strengthened because we would remove an aggressor's capability to attack us rather than merely threaten retaliation after an attack has taken place. In the President's great phrase, we would protect our people, not avenge them. By developing defensive systems we would make the world more stable and secure by providing a shield against ballistic missile attack.

There has been some concern that by pursuing defensive systems we aim to cover only the United States with a protective shell and retreat from our alliance commitments. As the President said in his speech, we seek the capability to defend ourselves *and* our allies from the threat of military force. Our offensive weapons exist today for the sole purpose of deterring attack on the United States and our allies. Any defensive system we can develop would serve the same purpose—to deter attack against the United States *and* our allies by defending us all from ballistic missile attack.

Perhaps one reason for the skepticism with which some have greeted this initiative is due to misunderstanding. Many would have you believe that we seek to develop a single system which can intercept and defend flawlessly against all missiles and all attacks. We know there is no such "magic bullet." What we are trying to develop first is a defense network—a series of systems, not necessarily based on the same technology or physical principles—which taken together will provide a reliable defense against nuclear ballistic missiles.

The concept we will need to perfect is not dissimilar to the one we now employ to defend our fleet against tactical missile attack. The layered fleet defense system consists of F-14 fighters and Phoenix missiles at long ranges, the Aegis cruiser at medium range, and close in weapon systems. All are under control of computers which keep track of dozens of incoming missiles, and direct interceptors to destroy them. The ballistic missile defenses we seek to build must do these functions also, not against dozens of targets, but against thousands and at vastly greater ranges.

We are focussing on ballistic missile defense because since the 1960's, defense against these weapons has been the pacing factor in providing a complete and effective shield against nuclear attack. The speed of these missiles, and the fact that they can carry multiple warheads and penetration devices has confounded the ability of traditional antiballistic missile efforts to provide a capable defense. However, new technologies —in computer-aided detection and tracking, in defensive weaponry and in many other technologies—offer a means by which the ballistic missile may be defeated. In fact, one of the fundamental ingredients in ballistic missile defense, the "glue" that holds these systems together, is the ability to make millions of arithmetic operations and logical decisions per second in space, in the air or on the

ground. Ten years ago, even five years ago, we did not have this capability. Today, the tremendous technological explosion in microelectronics makes possible physically small, highly capable, computers which allow us to consider BMD systems that orbit, that fly, or are ground mobile. This capability, coupled with other technologies such as directed energy weapons, "smart" missiles, and sophisticated sensors, allows us to think about developing the kind of ballistic missile defense the President called for in his recent speech. And if we are indeed able to master this technology and develop a defense against ballistic missiles, we should also be able to cope with the easier task of defending against the slower flying and other threats. We know the Soviets are working to develop defenses against the cruise missiles, for example. We can do no less for our people.

A second reason for concentrating initially on defending against ballistic missiles is the fact that those systems, because they can reach their targets so quickly, pose a special danger. We have recognized this already in our START and INF arms control efforts which place special emphasis on limiting ballistic missiles. If we are able to develop defenses which offer the promise of depriving ballistic missiles of their military utility, we may achieve what over a decade of negotiations has failed to do—the reduction and eventual dismantling of these systems, offering a safer and more stable environment in which to live.

We have entered into this effort with the full knowledge that we are embarked on a long-term effort that may take many years and may depend ultimately on technologies we have not yet developed. That is why, while we look with hope to the future, we must also focus on the present. As the President indicated, we must continue, for the interim, to rely on the offensive arm of deterrence to preserve the peace. Deterrence through a credible retaliatory capability has worked for nearly 40 years, and, there is every reason to believe that this policy will continue to prevent aggression against ourselves and our allies. We also must—and will—continue to pursue reductions in nuclear arms, and to seek agreements which are balanced, equal and verifiable. But it is important to remember that both deterrence and arms reductions require that we modernize our nuclear forces.

As a result of over a decade of relative U.S. military neglect coupled with two decades of Soviet major strategic and other force expansion, we are now confronted by significant strategic imbalances. The strategic modernization program which the President announced in October 1981 [29] provides a balanced and prudent approach to redressing the strategic imbalance and strengthening our deterrent. The proposal which the President will soon send to the Congress for modernizing our land-based missile force represents an important element of our program—and we urge the Congress to approve it. In the area of intermediate-range nuclear forces, the NATO program to begin deployment of ground-launched cruise missiles and Pershing IIs later this year is on schedule and provides a stable counter to the unwarranted creation, and subsequent massive expansion, of the Soviet SS–20 force.

Secondly, it is unrealistic to believe that the Soviet Union will ever agree to stability at lower levels of arms unless its leaders are first persuaded that their quest for superiority is unachievable. Only when the Soviet leaders are convinced beyond doubt that we are truly committed to maintaining our deterrent strength will they have any incentive to negotiate seriously on arms reductions. We believe our strategic and INF modernization programs provide the Soviets strong incentives for meaningful, balanced, and mutual force reductions. The fact that they are now negotiating with us on these deep reductions—which in prior years they refused to do—is strong evidence that, despite Soviet rhetoric, our approach is sound.

But if we once again terminate unilaterally our efforts to modernize and strengthen our own forces, we will never achieve the stability and mutual reductions we Americans so strongly desire. Indeed we will have removed all incentives for the Soviets even to stay at the negotiating table. Thus, our programs not only bolster our ability to deter war, they also provide the necessary incentive to the Soviets to negotiate agreements that could dismantle the threat to peace and to our security.

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[29] Regarding the strategic modernization proposals, see the briefings by President Reagan and Secretary of Defense Weinberger, October 2, 1981, *American Foreign Policy: Current Documents, 1981*, pp. 136–145.

We also need to continue, along with our allies, to maintain and improve our defense against conventional attack. We will need to have a strong conventional defense even if our efforts to develop new defenses against nuclear attack are achieved. But as we strive to develop new technologies for nuclear defense, we and our allies must, as the President stated, exploit advanced technology to provide for increased effectiveness of our conventional forces too.

In conclusion, let me underscore the fact that the President's new initiative is wholly consistent with our current policies on deterrence and arms control. The offensive arm of deterrence will allow us to protect ourselves and our allies while we work on the new initiatives. It will allow a proper transition to a world in which we can rely on defense rather than on threats of retaliation to deter attack. It will encourage arms control efforts which will make that transition easier. And arms control will make that future world a safer, more secure, and happier place in which to live.

Twenty years ago this spring, President Kennedy gave this answer to those who refused to accept the prospect that we have the ability to shape our future and manage our own destiny. "Our problems are man-made, therefore they can be solved by man. And man can be as big as he wants. Man's reason and spirit have often solved the seemingly unsolvable, and we believe they can do it again." How can we accept less?

Document 17

Statement by President Reagan, April 19, 1983 [30]

Endorsement of the Recommendations of the President's Commission on Strategic Forces

Later today, I'll send a report to the Congress which endorses the recommendations of the Bipartisan Commission on Strategic Forces, and urges prompt Congressional action and support. [31]

This distinguished panel's recommendations are important for two reasons: The actions they propose will preserve stable deterrence and thus protect the peace. And they will add solid incentives and credibility to our efforts to negotiate arms reductions that can pave the way to a more secure and peaceful future.

On the 23d of March, I spoke to the American people about our program for strengthening this nation's security and that of our allies and announced a long-term research effort to reduce, some day, the threat posed by nuclear ballistic missiles. [32]

A week later in Los Angeles, I expanded our efforts to limit and reduce this danger through reliable, verifiable and stabilizing arms control agreements. [33]

Both of these paths lead to a common goal: Preventing conflict, reducing the risk of war and safeguarding the peace.

Every American President has accepted this crucial objective as his most basic responsibility. But preserving the peace requires more than wishful thinking and vague good intentions. Concrete, positive action is required to free the world from the spectre of nuclear conflict. And that's why we will continue to work relentlessly to achieve nuclear stability at the lowest possible levels. Our words, policies and actions all make clear to the world our country's deeply held conviction that nuclear war on any scale would be a tragedy of unparalleled scope.

Time and again, America has exercised unilateral restraint, good will and a sincere commitment to effective arms control. Unfortunately, these actions alone have not yet made us truly safer and they haven't reduced the danger of nuclear war. Over the past year, for example, the Soviets have deployed over 1,200 intercontinental ballistic missile warheads,

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[30] Source: White House Press Release, April 19, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, April 25, 1983, pp. 563–565. The President made the statement in the East Wing of the White House at 10:05 a.m. The source text is the text as actually delivered.

[31] See *infra*.

[32] See document 13.

[33] See document 36.

more than the entire Peacekeeper program.

The history of American involvement in arms control shows us what works and what doesn't work. The fact is that in the past our one-sided restraint and good will failed to promote similar restraint and good will from the Soviet Union. They also failed to produce meaningful arms control. But history also teaches us that when the United States has shown the resolve to remain strong, stabilizing arms control can be achieved.

In the late sixties, we made a major effort to negotiate an anti-ballistic missile treaty with the Soviet Union. After the Soviet leadership demonstrated a clear lack of interest, the Congress agreed to fund an anti-ballistic missile building program. And the result was predictable.

Once the Soviets knew we were going ahead, they came to the negotiating table and we negotiated a treaty. It was formally adopted and remains in force today.

Obviously, the best way to nuclear stability and a lasting peace is through negotiations. And this is the course that we've set. And if we demonstrate our resolve, it can lead to success.

It was against this background that I established a Bipartisan Commission on Strategic Forces last January, and directed it to review the strategic program for U.S. forces with particular emphasis on intercontinental ballistic missile systems and their basing.

A distinguished bipartisan panel of Americans who served on the Commission, and those who served as senior counselors, have performed a great service to their country, and we all owe them a debt of gratitude.

Brent Scowcroft, the Commission's Chairman, other Commission members, Harold Brown, and the senior consultants are here today. I want to express my appreciation to you all for a tough job extraordinarily well done.

In the finest spirit of bipartisanship, the Commission unanimously arrived at clear, important recommendations on some of the most difficult issues of our time. During the past three months, the Commission held dozens of formal meetings and numerous small conferences. They talked to over 200 technical experts, and consulted closely with the Congress.

The Commission members sought a common objective: to achieve a greater degree of national consensus concerning our approach to strategic force modernization and arms control.

As the Constitution's [34] report concludes, "If we come to see ourselves in dealing with these issues, not as political partisans or as crusaders for one specific solution to a part of this complex set of problems, but rather as citizens of a great nation with the humbling obligation to persevere in the long-run task of preserving both peace and liberty for the world, a common perspective may finally be found."

Well these words guided the work of the Commission. It is my fervent hope that they will guide all of us as we work toward the solution of what has been a difficult and lengthy issue.

The Commission has completed its work and last week submitted its report to me. It was immediately released, as you know, to the public.

After reviewing the report, I met with the National Security Council. They endorsed the Commission's recommendations as do all the members of the Joint Chiefs of Staff. And so do I.

First, the Commission urges us to continue the strategic modernization program which I announced in October of 1981. It reaffirms that the need remains for improvements in the command, control, and communications of our strategic forces, and continuation of our bomber, submarine, and cruise missile program.

Second, the Commission urges modernization of our ICBM forces. We should immediately proceed to develop and produce the "Peacekeeper" missile and deploy 100 in existing Minuteman silos near Warren Air Force Base in Wyoming.

At the same time, the Commission recommends that we begin engineering the design for a small, single-warhead missile. If strategic and technical considerations warrant, this missile could be ready for deployment in the early 1990's.

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[34] Commission's. [Footnote in the source text.]

Incidentally, this modernization program will save about $1.5 billion in 1984 and even more than that in each of the next 2 years. Third, the Commission recommends major research efforts in strategic defense and a thorough research program of hardening, making our land-based missile systems more secure.

This modernization effort is the final component of our comprehensive, strategic program. It will mean a safer, more secure America. And it will provide clear evidence to the Soviet Union that it is in their best interest to negotiate with us in good faith and with seriousness of purpose.

That adds up to an important incentive for both arms control and deterrence, for peace and security now and far into the future. Finally, the Commission underscores the need for ambitious arms control negotiations, negotiations that would lead to agreements that are balanced, promote stability in time of crisis and result in meaningful, verifiable reductions.

These are precisely the objectives of our arms control proposals now on the table in Geneva. These are—I want to reemphasize that we're in Geneva seeking equitable, reliable agreements that would bring real reductions.

So, the task before us is to demonstrate our resolve, our national will and our good faith. That's absolutely essential both for maintaining an effective deterrent and for achieving successful arms reductions. Make no mistake, unless we modernize our land-based missile systems, the Soviet Union will have no real reason to negotiate meaningful reductions. If we fail to act, we cannot reasonably expect an acceptable outcome in our arms control negotiations. And we will also weaken the deterrent posture that has preserved the peace for more than a generation.

Therefore, I urge the Congress to join me now in supporting this bipartisan program to pursue arms control agreements that promote stability to meet the needs of our ICBM force today and to move to a more stable ICBM structure in the future. To follow up on the Commission's recommendations, I have asked Brent Scowcroft in his capacity as chairman to keep me closely advised as this issue moves toward resolution, particularly as it relates to arms control.

For more than a decade, each of four administrations made proposals for arms control and modernization. Unfortunately, each became embroiled in political controversy. The members of the Commission, the Secretary of Defense, the Joint Chiefs of Staff and I have all had to take fresh looks at our previous positions. But despite the wide range of views these groups have held in the past, we now have a program that has our unanimous support. Support by the Congress and the American people for this consensus will unite us in our common search for ways to strengthen our national security, reduce the risk of war, and ultimately reduce the level of nuclear weapons. We can no longer afford to delay. The time to act is now.

Thank you all very much for being here, and again I thank the Commission for their fine work. (Applause)

Document 18

Letter From President Reagan to the Speaker of the House of Representatives (O'Neill), April 19, 1983 [35]

Recommendations of the President's Commission on Strategic Forces

DEAR MR. SPEAKER: On January 3, 1983, I established a bipartisan Commission to respond to the issues raised by the Congress regarding the Peacekeeper missile, possible alternatives to the Peacekeeper, and possible alternative ICBM basing modes. The report, which the Commission submitted to me, was delivered to you last

[35] Source: White House Press Release, April 19, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, April 25, 1983, pp. 565-566. Identical letters were also sent to Vice President George Bush, President of the Senate; John Tower, Chairman of the Senate Armed Services Committee; Mark O. Hatfield, Chairman of the Senate Appropriations Committee; Melvin Price, Chairman of the House Armed Services Committee; and Jamie L. Whitten, Chairman of the House Appropriations Committee.

week. Attached is a classified report [36] prepared by the Department of Defense submitted pursuant to the provisions of subsection (7) of Title V of the Department of Defense Appropriations Act, 1983, enacted as part of P.L. 97-377. The attached document addresses the issues set out in subsection (7).

I am pleased to report to you that the distinguished group of Americans who served on the Commission have unanimously agreed on a package of actions, which I strongly support, and on which Secretary Weinberger, the Joint Chiefs of Staff, Secretary Shultz and the National Security Council have joined with me in supporting. They are as follows:

(1) Improve as a first priority the command, control, and communications for our strategic forces; continue with high priority the Trident submarine and D-5 missile programs; and continue the bomber and air-launched cruise missile efforts as planned.

(2) Proceed with the immediate production of the Peacekeeper missile, and deployment of 100 such missiles in existing Minuteman silos in the Francis E. Warren AFB area, which I propose as the alternative basing plan required by P.L. 97-377. Specifically, the First 50 missiles will replace the Minuteman missiles in the 400th Strategic Missile Squadron (SMS). In turn, the second 50 will replace the Minuteman missiles in the 319th SMS. I have chosen Francis E. Warren AFB because the existing silos at that location offer the best operational considerations.

(3) Commence engineering design of a small, single warhead ICBM. If strategic and technical considerations warrant, such a missile could be ready for full-scale development in 1987 and potential deployment in the early 1990's.

(4) Expand research into, and undertake the most rigorous examination of, all forms of defense against ballistic missiles. This includes work on penetration aids.

(5) Undertake a specific program to resolve uncertainties regarding silo and shelter hardness, a study of fratricide effects, and investigation of different types of land-based vehicles and launchers, particularly hardened vehicles.

[36] The report does not accompany the source text.

Finally, I reconfirm that I am fully committed to continue to pursue ambitious and objective arms reduction negotiations with a goal of agreements that are balanced, promote stability in time of crisis, constitute meaningful force reductions, and are verifiable. As you know, our proposals to secure reductions of all types of weapons are before the Soviets in many forums.

I urge the Congress to join me now in this bipartisan effort to settle on a modernization plan for our strategic forces. For more than a decade, each of four administrations has made proposals for arms control and modernization that have become embroiled in political controversy.

Balancing a number of factors, the members of the Commission, the Secretary of Defense, Joint Chiefs of Staff, and I have all had to take fresh looks at our previous positions. Despite the range of views these groups have held in the past, we are presenting to you a unanimous view on this vital issue. Your support for the consensus can unite us in taking a major step forward in our common search for ways to ensure national security.

Sincerely,

RONALD REAGAN

Document 19

Prepared Statement by the Secretary of Defense (Weinberger) Before the House Armed Services Committee, April 20, 1983 [37]

Basing of the MX Missile System

Mr. Chairman, thank you for this opportunity to discuss the President's plan for revitalizing the ICBM leg of our Strategic Triad.

This is not my first visit to talk about the need to update our ICBM forces. Nor am I the first Secretary of Defense to raise these issues before this distinguished com-

[37] Source: *MX Basing System and Related Issues: Hearings Before the Committee on Armed Services, United States Senate, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 102-107.

mittee. Four Presidents, six Secretaries of Defense, and a majority of the members in several sessions of Congress all have concluded that we need to modernize our ICBM force.

The members of the President's Commission on Strategic Forces have done us all a great service, and not just because they have presented an eminently reasonable, and achievable, proposal for modernizing our ICBMs. They have also reminded us that there is a long-standing, bipartisan consensus about three facts. First, that the United States pursues peace and protects its freedom and the freedom of its allies through a joint strategy of deterrence and arms control. Second, that deterrence depends on retaining a multiplicity, and more specifically a Triad, of strategic forces, including intercontinental ballistic missiles. And third, that in view of actions taken by the Soviet Union over the last decade and a half, we must take steps now to ensure the effectiveness of that Triad and in so doing not only maintain deterrence but also improve the prospects for genuine, mutual, and significant reductions in nuclear weapons.

Before discussing the President's recommendation for modernizing the ICBM force, let me review the reasoning that lies behind this consensus about American strategic policy.

Since the end of World War II and the dawn of the atomic age, the United States has maintained peace and preserved its freedom, and that of its allies, by means of an inherently defensive policy—deterrence. This policy, and the strategic capability to back it up, serves as a clear indication to potential aggressors that the West has the will and the means necessary to resist aggression. By maintaining the ability to retaliate against a potential aggressor in such a manner that the costs we will exact will exceed substantially any gains he might hope to achieve through aggression, we can prevent any aggressor from coming to believe that he could profit from or win a nuclear war.

We, for our part, are under no illusions about the consequences of nuclear war. We know there would be no winners in such an exchange. But this recognition on our part is not enough to maintain deterrence. The Soviet leadership must understand this as well. The President's Commission on Strategic Forces made this point eloquently in their report.

> "Deterrence is not an abstract notion amenable to simple quantification. Still less is it a mirror image of what would deter ourselves. Deterrence is the set of beliefs in the minds of the Soviet leaders, given their own values and attitudes, about our capabilities and our will. It requires us to determine, as best we can, what would deter them from considering aggression, even in a crisis—not to determine what would deter us."

Unlike the United States, the Soviet Union seems to believe that under certain circumstances a nuclear war could be fought and won. Today we see that the number, the explosive power, and the accuracy of Soviet nuclear weapons are far greater than would be needed simply to deter attack. In addition, the Soviets have developed a refiring capability for some of their larger ICBMs, which could allow them to reload their delivery systems several times. They have given us indications that they think they could fight a protracted war by hardening their silos and protecting key targets with elaborate air defenses. Their writings, military doctrine, and exercises all emphasize the kind of nuclear warfighting policy we in the United States have rejected—and which we must deter. We must, therefore, make sure that the Soviet leadership, in calculating the risks of aggression, recognizes that an effective American response exists, and understands that, consequently, there can be no circumstance where the initiation of a war at any level would make sense.

To this end, we have maintained over the last two decades a strong and interdependent force, known as the Triad, which consists of land-based intercontinental ballistic missiles, sea-based ballistic missiles, and manned strategic bombers. This multiplicity of forces provides three significant benefits.

First, each of the strategic components of the Triad acts in concert with the others to complicate Soviet planning, making it more difficult for the Soviet Union not only to plan and execute a successful attack but also to defend against retaliation.

Second, each of the legs of the Triad acts as a hedge against a possible technological break-through that could threaten the viability of any single strategic system. By maintaining a Triad we force the Soviet Union to disperse their resources

among three components, preventing them from concentrating their considerable resources on defeating two or only one U.S. strategic system.

Finally, only a Triad of three unique systems can provide us with all the elements necessary to provide a strong, secure deterrent. The strengths of each system not only complement the strengths of the other two but also compensate for their weaknesses. To deter successfully all types of nuclear attack, our forces as a whole must possess a number of characteristics and capabilities—including survivability, prompt response, mission flexibility and sufficient accuracy and warhead yield to retaliate against hardened Soviet military targets. No single weapons system can incorporate all of these capabilities. Submarines are less vulnerable, but less accurate. Bombers are accurate, and retrievable, but are much slower. ICBMs are easier to command and control, faster, and more accurate, but they are more vulnerable than submarines and, once launched, irretrievable. But all three systems together can incorporate all those elements necessary to deter against all types of attack.

For many years it was our good fortune to possess a Triad whose effectiveness could be assured well into the future. Unhappily, due to the massive, and largely unmatched, strategic build up that the Soviets have sustained since the 1960s, those days are gone. That build up has created substantial vulnerabilities in our strategic Triad which in turn have altered the strategic balance and reduced the effectiveness of our deterrent capability.

Over the past 2 years the President has instituted, and the Congress has supported, a number of initiatives to rectify the Triad deficiencies this build up has created, including production of the Trident submarine and development of a new, more capable SLBM, the D-5; production of the air-launched cruise missile, development of the B-1B and "Stealth" bombers; improvements in the U.S.-Canadian Air Defense network; and improvements in the effectiveness and reliability of our command, control, communications and attack warning capabilities. I know this committee shares our conviction that such a strategic modernization program is vital to preserving deterrence and enhancing the prospects for arms reduction.

But one very serious weakness in our Triad has yet to be resolved—the modernization of the ICBM force. The United States made a conscious choice during the 1970s to restrict its nuclear weapons developments so as not to present the Soviet Union with a first strike threat. However, the Soviets showed no such restraint. During the 1970s the Soviet Union deployed more than 600 powerful SS-18 and SS-19 ICBMs with nearly 5,000 highly accurate warheads; at the same time they hardened their missile silos and key command and control facilities to resist attack. These Soviet developments have simultaneously endangered the survivability of our ICBM force, and substantially reduced the retaliatory effectiveness which lies at the heart of our strategy of deterrence.

Without a viable ICBM force our Triad would lose several qualities that are crucial to deterrence: extremely high peacetime readiness rates, rapid and reliable communications with command authorities, and prompt counter military capability.

But, even more important, indeed at the heart of the current U.S.-Soviet strategic force imbalance, is the Soviet monopoly of prompt hard target kill capability. This gives them a twofold advantage over the United States. First, it enables the Soviets to launch a very high confidence first strike attack on our land-based ICBM, while expending only one third of their ICBM force in the process. The large store of remaining ICBMs would then enable them to divert weapons to other essential targets in a first-strike attack and still maintain a large and effective reserve force to conduct follow-on attacks. Second, the fact that we lack a prompt retaliatory capability against very hard targets allows Soviet planners to consider the possibility that, for the crucial first few hours of a nuclear conflict, the bulk of their ICBM force and supporting command and control structure would remain largely immune to U.S. retaliation. This would eliminate one of the major sources of uncertainty that is such an important element of deterrence—the unpredictable effects of U.S. retaliation on Soviet war plans. Without this crucial uncertainty exerting an influence on Soviet war planners, their confidence in their ability to fight and win a nuclear war is reinforced.

This development is too dangerous to be allowed to continue unchallenged. If we do nothing, we will face the very real danger that the Soviets could at some point come to believe that they could use, or blackmail us by threatening to use, nuclear forces to gain their military or political ends.

Because the problems of the ICBM leg of the Triad are essentially two-fold—retaliatory effectiveness and survivability—we must seek a solution that answers both concerns. Last November the Administration recommended deploying the Peacekeeper missile in a closely spaced basing mode, which would take advantage of the fratricide phenomenon produced by attacks on closely spaced super-hardened ICBM silos. Congress, as you know, directed us to study further the question of basing and deployment. To fulfill this requirement, the President established an independent, bipartisan Commission on Strategic Forces made up of distinguished experts and former Government officials and chaired by former National Security Advisor, Brent Scowcroft. The President directed the Commission to examine the broad range of strategic modernization issues including basing alternatives to CSB, ICBM alternatives to the Peacekeeper, and air- and sea-based alternatives to a modernized land-based ICBM force. Over the last several months the Commission thoroughly studied these alternatives and last week presented its report to the President; a report that, I think all will agree, equals in every respect the expectations of excellence that such a distinguished body of experts naturally engenders. It is a report that has won the strong support of the President, his National Security Advisor, the Joint Chiefs and me. In addition to endorsing the President's strategic modernization program, the report addresses the two weaknesses of the ICBM leg in a phased approach.

To solve the problem of retaliatory effectiveness the plan calls for a limited deployment of 100 Peacekeeper missiles in Minuteman silos which will reestablish the hard target capability necessary to maintain deterrence. By deploying the Peacekeeper missile we will immensely complicate any attack the Soviets might plan and, by threatening their remaining ICBM force, decrease their confidence that an attack might succeed. As the President's Commission points out "Soviet planners would have to account for the possibility that Peacekeeper missiles would be available for use and thus they would help deter such attacks." Thus the lack of retaliatory effectiveness in our current ICBM force is a relatively easy weakness to overcome and the Peacekeeper can begin to accomplish this in 1986 and finish the job in 1989.

The President's modernization plan also spells out an approach to enhancing survivability. However, because this aspect of the problem is more complicated, the solution is necessarily more difficult. I can think of few national security issues that have been so intensively and exhaustively examined as Peacekeeper basing. The search for a survivable basing mode has preoccupied political leaders of both parties, as well as the American people for nearly a decade. Although we frequently have embraced different solutions to this problem, we all, nevertheless, shared the belief that if we looked long and hard enough, a single, perfect solution would be revealed.

By now it is clear that this was an illusion. As the Commission noted, " . . . by trying to solve all ICBM tasks with a single weapon and a single basing mode in the fact of the trends in technology, we have made the problem of modernizing the ICBM force so complex as to be virtually insoluble." Or, in the words of Voltaire, sometimes, " . . . the best is the enemy of the good."

With the Peacekeeper missile deployed in Minuteman silos, we will restore our retaliatory capability. However, for the near term, we must rely on the interaction of the Triad legs to provide some degree of ICBM survivability. The point here, to quote the Commission report once again, is that "whereas it is highly desirable that each component of the strategic forces be survivable when it is viewed separately, it makes a major contribution to deterrence even if this survivability depends in a substantial measure on the existence of one of the other components of the force." With respect to the longer-term, the President's ICBM modernization plan will achieve survivability through an extended, two-step process: development of a new small missile, and research and development on mobility, silo hardening, ballistic missile defense, and deep underground basing.

Just as there are significant advantages to diversity among the Triad forces, there might also be significant advantages to di-

versity within the ICBM force. By deploying different types of ICBMS—each with different capabilities—and basing them in dissimilar configurations, the independent survivability of the ICBM force as a whole might be dramatically improved, while its flexibility is increased.

Specifically, by deploying the Peacekeeper we will quickly provide the ICBM force with the retaliatory hard target capability necessary to maintain deterrence. The Peacekeeper's throw-weight also gives us sufficient payload flexibility to maintain retaliatory effectiveness even if the Soviets were to harden their strategic assets even further, or violate the ABM Treaty by rapidly and massively increasing their ballistic missile defense deployments. By deploying a new small missile we would add to the flexibility and overall capability of the ICBM force while providing basing options, such as mobility, that are not feasible with larger missiles. And by deploying the ICBM force in a range of dissimilar basing modes, we improve the survivability of our entire ICBM force by driving the Soviet offensive force structure in opposite and counterproductive directions. That is, a force structure designed to effectively attack one type of basing mode may be ill suited to attack a different basing mode.

As mentioned earlier, the President's plan includes vigorous research on new techniques for hardening silos and shelters, on different types of land-based vehicles and launchers, including hardened vehicles, on ballistic missile defense and deep underground basing, and on the phenomenon of fratricide, that is, destruction of an attacking warhead by the explosive effects of another. By supporting such diversity, the President's plan retains—and even enhances—our options for a changing strategic environment.

But the impact of the President's ICBM modernization plan extends beyond the world of nuclear deterrence. It also will have a significant impact on our ability to meet our commitments to our friends and allies. One important effect could be on the essential NATO INF modernization program. Scheduled to begin late this year, this program is necessary to counter the growing European strategic imbalance resulting from the persistent Soviet build up of its SS-20 intermediate range missile force. Many of our NATO allies are watching the decision on the deployment of the Peacekeeper very closely. Deployment of a modern land-based missile system in this country is necessary to maintain the effectiveness of the U.S. strategic deterrent, just as ending the present imbalance in Europe—either through arms reduction or deployment of modern intermediate range nuclear forces in Europe—is essential to keeping our allies securely linked to the U.S. strategic umbrella. Failure to deploy Peacekeeper could not only undercut the ability of key allied governments to muster and hold the political support necessary to back Pershing II and ground-launched cruise missile deployments in their countries but also be seen as undercutting America's nuclear umbrella for NATO.

But the President's plan also has a wider, more long-term impact. The peacetime, day-to-day decisions that collectively make up the behavior of the United States, the Soviet Union and all other nations are influenced by perceptions of the U.S.-Soviet strategic balance. The greater the imbalance, the more conscious we become of the limits to our options in international affairs and the greater the chance that we might be forced to compromise our interests to avoid crises that might overburden our capacity to deter conflict. In the same vein, the greater the imbalance, the greater the tendency of the Soviet Union to embrace ever more ambitious definitions of what constitute legitimate Soviet interests; the greater their tendency to view the risks of crises as an acceptable price to pay for the satisfaction of their political aims. The behaviot of other nations is affected by perceptions of the strategic balance too. The greater the imbalance, the greater the tendency to view Soviet aims as interests to be accommodated; the greater, also, their tendency to view U.S. aims as interests to be ignored or challenged.

Today, we are confronted with just such a strategic imbalance; an imbalance that, in the face of the continued enhancement of Soviet power, will only worsen if we do nothing to counter it. There are many things we can do to reestablish a strategic balance, some of which, as I mentioned eariler, we are doing already. However, if we do not modernize the ICBM leg of the Triad, and maintain those important capabilities unique to the ICBM, restoration of a strategic balance will not be possible. As my predecessor, Harold Brown, wrote recently: " . . . we said in the early 1970's that we would modernize with a new mis-

sile in the late 1970's. In the mid-1970's we said that we would do so in the early 1980's, and in the late 1970's that we would in the mid-1980's. We have failed so far to do any of those things, even while the Soviets were deploying over 600 new ICBMs, each with a payload equal to or greater than that of MX, and with accuracies now matching those of the most accurate U.S. ICBMs.

"To say that the United States will modernize in the early 1990's with a small single-warhead missile will just not be believable. The Soviets would be justified in calculating that any new U.S. ICBM system will be aborted by some combination of environmental, doctrinal, fiscal, and political problems."

Finally, there is the important consideration of arms control. While a strong and viable deterrent is essential to the maintenance of peace, our search for a durable foundation that can support a lasting peace must also incorporate significant and verifiable reductions in the size and destructive potential of existing nuclear arsenals. The President's ICBM modernization plan is fully consistent with, in fact, necessary to, such arms reductions. As you are all aware, the President has proposed a strategic arms reduction proposal, START, which would reduce by one third the overall size of both sides' deployed ballistic missile warheads, with even greater reductions in those weapons systems that are potentially the most destabilizing—land-based ballistic missiles. Whether the President's START proposal is successful will, in large measure, depend on Soviet perceptions of the nation's determination to maintain its deterrent capability in the face of the persistent growth of Soviet military power. Because the ICBM modernization plan is essential to our deterrence capability, the Soviets will undoubtedly perceive this nation's decision on whether to support it a litmus test of the extent of that determination.

If the American people and its Congress give their support, the Soviet Union will come to the realization that the United States understands the current strategic realities and fully intends to meet the national security obligations these realities impose. By reinforcing this perception of American determination, vigorous ICBM modernization will discourage the notion that a continuation of the Soviet arms build up will afford the Soviet Union any strategic advantage and encourage Soviet cooperation in bringing strategic arms under control. Conversely, failure to modernize will serve only to foster a Soviet belief in the soundness of their policy of seeking unilateral strategic advantage through the continued deployment of ever more powerful weapons in ever greater numbers.

Until this issue is clearly resolved in favor of a modernized ICBM force, we can expect little cooperation from the Soviet Union in Geneva. We have learned the hard way that the Soviet Union is impressed not by self-restraint, but by determination. For the first time they have proved willing to sit down at the negotiating table to discuss arms reduction; let us give them the incentive to stay there and reach fair, equitable, and verifiable agreements.

Let me make one final point about the centrality of our ICBM modernization plan to arms control. This Administration has sought to move away from arms control agreements that confine their restrictions to such limited measures of strategic capability as launchers and missiles, and emphasized instead those elements of strategic capability that threaten to upset stability. In this connection, I was pleased to note that the Commission report echoed this Administration's focus on warhead and throw-weight reductions in the START negotiations.

The President's modernization plan supports this concern with stability by holding out the promise, over the long-term, of channeling ICBM forces into more stable directions. Such stability can be enhanced by deployments that distribute the total number of warheads contained in the ICBM forces over a larger number of smaller missiles, thereby reducing the target value of individual ICBMs. In reducing the value of individual strategic assets, we reduce the attack incentive of a potential aggressor. If this promise is to be realized, we must pursue the two-step process provided by the President's plan.

First, we must deploy the Peacekeeper missile to end the current, destabilizing advantage the Soviet Union enjoys in critical prompt hard target capability. The Soviets will not voluntarily give up their current strategic advantage. If we do not take this first step, they will have no incentive to move toward ICBM deployments that are more stabilizing. Deployment of the

Peacekeeper will act as a necessary foundation and catalyst for a restructuring of U.S. and Soviet ICBM forces.

Second, we must vigorously pursue small, single warhead missile technology and operational concepts to determine the technical, operational and fiscal feasibility of moving to an ICBM structure that increases the emphasis on the deployment of ICBMs that individually are of less value as targets.

The report issued by the President's Commission reflects the dedication and patriotism with which this bipartisan group of distinguished Americans responded to the task given them. Let me end, then, by quoting from the end of their report:

"If we can begin to see ourselves, in dealing with these issues, not as political partisans or as crusaders for one specific solution to a part of this complex set of problems, but rather as citizens of a great nation with the humbling obligation to persevere in the long-run task of preserving both peace and liberty for the world, a common perspective may finally be found."

Document 20

Prepared Statement by the Secretary of State (Shultz) Before the Senate Armed Services Committee, April 20, 1983 [38]

Modernizing U.S. Strategic Forces

Thank you. Mr. Chairman, distinguished members of this committee.

I am very pleased to have a chance to be here, along with Secretary Weinberger, to explain the importance of the President's proposals for modernizing our strategic forces.

First of all, I want to say, and join others, that we all owe a great debt to Brent Scowcroft and his colleagues on the President's Commission on Strategic Forces. They have given us a thorough, thoughtful, and invaluable analysis.

They brought to their task expertise and experience. They also brought with them the conviction that a matter so fundamental as our strategic forces, the backbone of our military strength, must be addressed in a spirit of bipartisan cooperation. I think there is a lesson, as Senator Jackson pointed out, here for all of us.

The question of how to modernize our strategic forces has been hotly debated for years now. The time has come to resolve it. As the Commission has shown us, it can only be accomplished if Americans of both parties work together with the attitude that we are partners in a common enterprise. I know President Reagan is eager to work with the Congress in that spirit.

I defer to Secretary Weinberger on the military considerations that underlie the President's program. I want to address myself, as you suggested, Mr. Chairman, to two key points:

First, modernization of our strategic forces, and in particular of our ICBM forces, is of critical importance to our foreign policy;

And second, the President's program is not only consistent with, but indeed advances, the important national objective of strategic arms control and reduction.

FOREIGN POLICY AND THE STRATEGIC BALANCE

The central goal of our national security policy is deterrence of war and maintenance of the strategic balance is a necessary condition for that deterrence. But the strategic balance also shapes to an important degree the global environment in which the United States pursues its foreign policy objectives. Therefore, decisions on major strategic weapons systems can have profound political as well as military consequences.

As Secretary of State, I am acutely conscious of the strength or weakness of American power, because it has a direct impact on our ability to achieve our goals. As a crucial determinant of relative strength, the strategic balance is a key indicator of relative influence.

Perceptions of the strategic balance are bound to influence the judgments not

[38] Source: *MX Basing System and Related Issues*, pp. 107–111.

only of our adversaries, but also of our allies and friends around the world who rely on us. As leader of the democratic nations, we have an inescapable responsibility to maintain this pillar of the military balance, which only we can maintain.

Our determination to do so is an important signal of our resolve. Our performance of this responsibility is absolutely essential to sustaining the confidence of allies and friends and maintaining the cohesion of our alliances.

For the first two decades of the postwar period, our allies in the Atlantic Community, Japan and elsewhere could count on our unquestioned strategic superiority. The longstanding Soviet superiority in conventional forces on the Eurasian land mass was offset by superior American strategic power as the guarantee of our allies' security.

The massive growth of the Soviet strategic arsenal and our unilateral self-restraint in the sixties and seventies have altered this situation. We no longer possess the strategic advantage we once had, and indeed we face significant weaknesses in several areas of strategic weaponry.

This shift in the strategic balance makes it more important for us and our allies to address the problem of conventional and regional imbalances while doing whatever is necessary to restore strategic stability.

The Soviet Union has also expanded its conventional forces and its global reach at a rapid rate in tandem with its nuclear buildup. Our vulnerability in many regions of the world such as the Persian Gulf is apparent, as is the impressive growth of the Soviets' ability to project power worldwide.

This development is even more sobering given the increasing proclivity of the Soviets since the mid-1970's to use their forces and those of their proxies, in Angola, Ethiopia, Kampuchea, and Afghanistan, as well as to threaten their neighbors, as in Poland, or to try to subvert our neighbors, as in Central America.

My concern is that the growth of Soviet strategic power can therefore have an important effect on the Soviets' willingness to run risks in a regional conflict or crisis. Correspondingly, it makes our response more difficult.

In the Cuban missile crisis in 1962 and in the Middle East alert in 1973, American strategic power was an important element in denying the Soviet Union any credible option to escalate beyond the local level. In the Cuban case, we possessed an overwhelming strategic as well as local superiority. In the case of the 1973 alert, we still had some advantage.

I do not want to see the day come when, in a replay of the Cuban crisis or Middle East alert, the numbers and the results are reversed.

The Peacekeeper ICBM has a direct relevance to this problem of Soviet risk-taking. If the Soviets can strike effectively at our land-based ICBM's while our land-based deterrent does not have comparable capability, the Soviets might believe they have a significant advantage in a crucial dimension of the strategic balance. They could seek to gain political leverage by a threat of nuclear blackmail.

Without arguing the question of whether the Soviets are prepared to launch a nuclear first strike, such a crucial imbalance in strategic capabilities could well make them bolder in a regional conflict or in a major crisis.

For these reasons, Mr. Chairman, I believe our foreign policy—and our ability to defend our interests and our most cherished values—would be critically strengthened if the Congress gives strong backing to the program the President outlined yesterday.

Modernization of our strategic deterrent and of our land-based ICBM force in particular is essential to the goal he stated, that of "preventing conflict, reducing the risks of war, and safeguarding the peace." That is why the Peacekeeper program is so important. It will demonstrate our commitment to maintaining the strategic balance and to maintaining the credibility of our land-based strategic forces.

It will enhance our capacity to deter nuclear war and significant conventional attack or the threat of either. It will strengthen our commitment to the security of the United States and its allies and friends. It will also increase Moscow's incentive to negotiate seriously in START and other arms-reduction talks.

ARMS REDUCTIONS AND THE STRATEGIC BALANCE

Let me say more on that subject. I know that the Congress and all Americans share our hopes that arms-control negotiations with the Soviet Union will bring about a significant reduction of nuclear arsenals and a significant evening of the dangers of nuclear war. Strategic arms control has been a subject of major controversy and concern for well over a decade.

If we have learned anything from those debates and negotiations, we should have learned this fundamental truth. The process of strategic arms control depends absolutely on the demonstrated ability of the United States to maintain the strategic balance. This, in turn, depends, as it always has, on maintaining a modern, capable triad of strategic forces.

The Peacekeeper ICBM is a critical component of that modernized triad. The Peacekeeper represents the response which every administration since that of President Nixon has believed necessary to offset at least partially the formidable Soviet ICBM arsenal. In this profoundly simple sense, a new missile like the Peacekeeper is not only consistent with strategic arms control but it is an essential element of the process.

From the standpoint of the SALT II Treaty, that treaty was premised on the existence of the Peacekeeper, or MX, as it was then called. From the standpoint of the negotiations in which we are engaged today—not only to limit strategic arms but to reduce them—it is even more important to maintain the balance.

I know from personal experience that the Soviets are tough bargainers, as we are and must be as well. They make no compromises for free, nor should we. Only if they see the United States determined to modernize our strategic forces will they have an incentive to negotiate a verifiable agreement establishing equal or lower levels. Only if they see no possibility of achieving superiority will they accede to real arms reductions based on equality.

The Peacekeeper is fully consistent with all the specific provisions of existing SALT agreements. Deploying 100 of the new missiles in existing Minuteman silos, as the President proposes, will involve no construction of new fixed launchers, no increase in silo volume, and no increase in MIRVed ICBM launchers. Moreover, the limited number is obviously far too few to be destabilizing.

NEW SMALL ICBM

Questions have been asked, I know, about the new small ICBM proposed by the Scowcroft Commission and the President. Some have wondered how this is consistent with either SALT II or a possible START agreement. The SALT II Treaty would have permitted deployment of no more than one ICBM on each side. On our side the new missile would be the Peacekeeper, but that treaty, even if it had been ratified, would have expired at the end of 1985.

The President's proposal calls for the start of engineering development of a possible new small ICBM. No deployment could be possible until after 1990, long after the SALT II time period had expired and long before that time we would hope that a START agreement will have established a new regime for maintaining a stable strategic balance.

Beyond this, the new small missile, if it proves feasible, would have broader positive implications for arms control. It would enhance stability, which has always been a central objective of arms control since the process began. Secretary Weinberger has explained it may move the evolution of strategic systems in a stabilizing direction over the long term.

Our START proposals can be flexible enough to accommodate this small missile. There is no guarantee that a restructuring of United States and Soviet forces will take place in the near future, but time may well give both sides incentive to move in this direction. The United States-Soviet strategic competition will continue into the long-term future, but we can make an historical decision now that can shape the strategic relationship in a positive way for decades to come.

To sum up, Mr. Chairman, as Secretary of State I can only share with the Secretary of Defense the conviction that modernization of our strategic forces is a matter of the highest priority. A credible, flexible strategic force is not only vital to the balance of power but is the essential foundation of our role as leader and defender of free nations.

The fundamental goal of nuclear deterrence depends upon it. Our goal of deter-

ring nonnuclear war or nuclear blackmail also depends upon it. The Peacekeeper missile is indispensible to our near-term goals of restoring the strategic balance, deterring challenges, and providing an incentive to the Soviets for serious negotiations on arms reductions.

Research and possible development of a small ICBM may enhance strategic stability into the next century. As the Snowcroft Commission stressed, neither of the two systems can insure security alone. They are complementary. Strength and peace are also complementary. Both must be pursued with determination and with that determination both can be achieved.

Document 21

Address by the Secretary of Defense (Weinberger) at Fordham University, New York, April 28, 1983 [39]

Moral Aspects of Deterrence

We learn from the Book of Deuteronomy that Moses, at the twilight of his life, summoned the children of Israel together. He reminded them of God's commandments to his people. And he ended with these words:

> ". . . I set before you life or death, blessing or curse. Choose life, then, so that you and your descendants may live."

Moses spoke to the Israelites as individuals, calling each person to follow God's laws in his or her own life. But he also spoke to the Israelites as a nation, reminding them that together they shared a common heritage and responsibility, and could share a common fate.

So too religious leaders today call us, not just as men and women responsible for our individual souls, but as a nation responsible for our common fate, to choose life. Let me then firmly state my disagreement with those who say that the Catholic Bishops and other religious authorities should not be addressing the weighty questions posed by modern arms. You will not hear me talk today about rendering unto Caesar—for life is a gift not of Caesar but of God.

The charge to choose life is also a political responsibility, echoed in our Declaration of Independence and in our Constitution. And in the age of nuclear weapons this charge has taken on new meaning for all people, and for religious and political leaders alike, because now a nation truly can choose between life and death, and between freedom or slavery, and between peace with freedom, or a peace such as Poland endures, without freedom, and it chooses not just for itself but for its descendants.

Today our Constitutional responsibility "to provide for the common defense" is an awesome one. It poses terrible questions and imposes terrible burdens and calculations on us all—with no margin for error. And in confronting those questions and calculations every day in my position as Secretary of Defense, I am fully aware of their moral implications. I agree with the introduction to the third draft of the pastoral letter on war and peace, that "there is no satisfactory answer to the human problems of the nuclear age which fails to consider the moral and religious dimensions of the questions that we face." [40]

Therefore, in speaking today about these moral and religious dimensions to nuclear deterrence, I intend to speak from two perspectives: that of an individual Christian, and that of the Secretary of Defense.

Do not mistake me. I do not believe those two roles are incompatible. But they present several inherent challenges, and it is these challenges that I wish to share with you. For, as I have been forced to confront them, so also will each one of you as future leaders of our nation.

Consider, for example, the Biblical injunction to love your enemy. The individual Christian is called to turn the other cheek, to give those who would take his coat not just the coat, but his cloak as well. Yet a Christian acting on behalf of his nation, or, in the case of the United States, on behalf of an alliance of free na-

[39] Source: Department of Defense files.

[40] *The Challenge to Peace: God's Promise and Our Response. A Pastoral Letter on War and Peace* (Washington, United Catholic Conference, May 3, 1983).

tions, cannot simply turn the cheek of innocent people toward their aggressors, or hand over the fruits of other peoples' labor. Pope John XXIII recognized the protective duty of the Christian statesman in his encyclical *Pacem in Terris*:

> "The safety of the commonwealth is not only the first law, but it is a government's whole reason for existence."

The Catholic Church has, as the pastoral letter points out, "always been prepared to relate moral principles to concrete problems." We are greatly indebted, for example, to individuals like Terence Cardinal Cooke, the military vicar, and the military chaplains for their support and counsel to our servicemen and women. Here at this renowned Catholic institution, then, it is fitting that we consider the guidance the Church has given political leaders for two millenia.

Since the days when Christians served in the Roman Army the Church has been helping its people decide when to fight and when to lay down arms, when the state is acting justly and when it is imposing injustice.

Today, the leaders of the Church continue that important role. His Holiness, Pope John Paul II, in his message for the 15th World Day of Peace, summed up the church's teaching in this way:

> " . . . Christians, even as they strive to resist and prevent every form of warfare . . . have a right and even a duty to protect their existence and freedom by proportionate means against an unjust aggressor."

Yet he also gave a special caution for this, the nuclear age, reminding us that:

> "War is the most barbarous and least effective way of resolving conflicts."

Americans are well aware of this truth. We are not a warlike people. Twice in the first half of this century we resisted involvement in foreign wars. Twice we finally had to face our moral obligation to resist aggression and come to the aid of our friends and allies.

By the end of World War II, we found ourselves, almost inadvertently, the richest and most powerful nation in the world—and in sole possession of the most terrible weapons mankind has ever known. With our monopoly on nuclear weapons, the United States sought not to control the world but, through the Baruch Plan,[41] to put those weapons under international control. With our material wealth the United States sought not to establish an empire, but to rebuild democracy and rekindle economic growth for friend and foe alike. We tried, I believe harder than any nation has tried before, to love those who had been enemies, to "seek peace and pursue it." (Psalm 34:14)

In seeking peace, we pursued a strategy of deterrence that has been the basis of our defense policy ever since George Washington, in the very first State of the Union address, told Congress that "to be prepared for war is one of the most effectual means of preserving peace." But nuclear deterrence presented a greater paradox than this: To ensure that these terrible weapons were never used, we had to demonstrate that we were willing and able to use them to respond to attack. It is this uncomfortable paradox we have had to live with in the atomic age; but it is also this paradox of deterrence that for almost 40 years has kept the peace and preserved our freedom.

Not only has deterrence worked; it is consistent with many principles of Catholic teaching on war and the use of nuclear weapons, as discussed in the third draft of the Pastoral letter on war and peace. Our national policy and Catholic teaching are both based on a "presumption against war and for peaceful settlement of disputes." Together we reject "offensive war of any kind;" together we acknowledge that "every nation has a right and duty to defend itself against unjust aggression." The church denounces a policy of using nuclear weapons "for the purpose of destroying population centers or other predominantly civilian targets." So does the United States. The church supports "immediate, bilateral, verifiable agreements to curb the testing, production, and deployment of new nuclear weapons systems." The United States is actively pursuing such agreements in Geneva, where we are seeking to achieve major reductions in the arsenals of war. Above all, church and nation agree that there would be no "winners" in a nuclear war—that all mankind would lose.

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[41] Reference is to the U.S. plan for the international control of atomic energy presented by Bernard M. Baruch, the U.S. Representative, on June 14, 1946.

The pastoral letter also reflects a concern which President Reagan raised in his recent speech to the American people. "Would it not," he asked, "be better to save lives than to avenge them?" His answer was to propose that we seek to develop a new defense against nuclear missiles. Pope John Paul II has called upon us to seek "a better way." In a world where we cannot simply banish the knowledge of nuclear weapons, defense against missiles may be such a way.

But I do not want to pretend that there are no disagreements about nuclear strategy, or that we have resolved all the challenges of deterrence. Let me turn, then, to three of those challenges that we must keep before us as we debate the morality of war and peace in the nuclear age.

The first is the horror of *all* wars. We must seek to prevent not just another Hiroshima, but also another Dresden, or Bataan. When 50 million people died in World War II, it was a lesson for all time that a holocaust need not be nuclear.

The nuclear deterrence we extend to our allies, then, must protect them not just against nuclear threats, but, working with the allies, protect us all against the awesome conventional power of the Soviet Union—a power the Soviets have shown in Hungary, in Czechoslovakia, and in Afghanistan that they are willing to use, a power demonstrated in the use of chemical and toxin weapons, in violation of their treaty obligations, against soldiers and civilians alike. The draft pastoral letter's acknowledgement that a change in the strategy of extended deterrence would require "an alternative defense posture," is absolutely correct. Let us recognize as well that such an emphasis on conventional weapons would require far larger defense budgets, and far more men in arms.

Another part of the debate about nuclear war emphasizes another challenge of the nuclear age. The United States rejects a strategy which targets nuclear weapons against population centers. But to maintain a credible deterrent we must be able to retaliate against military targets that the Soviets have protected, or "hardened" against attack. For this we need very modern and accurate weapons. Likewise, we need better command, control, communications, and intelligence capabilities—a priority which the pastoral letter also supports.

Yet, some say that more accurate weapons make nuclear war easier to imagine and easier to begin. To this I must respond by asking: Would it be more ethical to use that argument to justify maintaining only less accurate weapons that could only attack population centers? I believe the answer is no—but let us recognize that this is an inherent problem of the nuclear age.

We in the United States are under no illusions about the dangers of nuclear war. We believe that neither side could win such a war. But this recognition on *our* part is not enough by itself to prevent the outbreak of nuclear war: the Soviet leadership must recognize it too, and the best way to secure that recognition, is for us to maintain the retaliatory capability that is the essence of deterrence.

This raises the third challenge: The behavior of the Soviet Union—a regime which explicitly rejects the laws and the love of God. During the 1970's the United States made a conscious choice to restrict its nuclear weapons developments so that the Soviet Union would not feel we had a first strike threat, and therefore first strike intentions. But the Soviets did not follow our self-imposed restraint. Instead they developed several new ICBMs specifically designed to destroy U.S. missile silos and B-52 bases. And they continue to deploy a vast array of additional weapons to threaten us and our allies.

Today we see that the number, the explosive power, and the accuracy of Soviet nuclear weapons are far greater than would be needed simply to deter attack; in fact, they represent a potential first-strike capability. In addition, the Soviets have developed a refiring capability for some of their larger ICBMs, which could allow them to reload their delivery systems several times. They have given us indications that they think they could limit the damage to themselves from a nuclear war by hardening their silos and protecting key targets with elaborate air defenses and by investing large amounts in civil defense. Their writings, military doctrine, and exercises emphasize the kind of nuclear war fighting scenario which we in the United States have rejected—and which we must deter.

We will never deter war if we do not look those truths in the face. Winston Churchill once said of Neville Chamberlain that he "lacked imagination in evil."

But, as Pope John Paul II reminded us in his message for the Day of Peace, "Christians are aware that plans based on aggression, domination and the manipulation of others lurk in human hearts."

We also need imagination in peace—that beautiful word which is so freely used and so readily abused. There is great danger that we will ask too little of peace, that we will seek no positive vision for our world.

The pastoral letter shared this concern, quoting from the Pastoral Constitution of Vatican II that:

> "Peace is not merely the absence of war. Nor can it be reduced solely to the maintenance of a balance of power between enemies. Nor is it brought about by dictatorship. Instead, it is rightly and appropriately called 'an enterprise of justice.'" (Isaiah 32:7)

When Christ said, "It is not peace I come to bring, but a sword," I do not believe he meant that his followers should take up arms to spread his gospel. Indeed, he rebuked them when they interpreted his words that way. But I do believe that religion and morality call us to judge between good and evil, and to recognize that injustice is an offense against peace even where there is no war.

Let us not lose confidence that America has a special mission for peace. Our Constitution calls us "to secure the blessings of liberty for ourselves and our posterity." Our leadership in the Free World calls us to help our friends and allies deter aggression and preserve and foster democratic freedom. Our strategy of deterrence, then, is a strategy for a richer peace: A peace with liberty, with justice, and with the freedom to follow the dictates of God, and our conscience. To choose less is not to choose life, in the true and full sense of that great blessing.

Document 22

Prepared Statement by the Deputy Secretary of State (Dam) Before the Senate Appropriations Committee, May 4, 1983 [42]

Strategic Modernization

Mr. Chairman, Members of the Committee.

I appreciate the opportunity to appear before this distinguished committee in support of the President's recommendations to the Congress on strategic modernization.

Tomorrow, Secretary of Defense Weinberger and General Vessey will address the military aspects of our strategic force posture. Today, I shall discuss the foreign policy and arms control implications of the President's strategic modernization program.

Maintaining an effective and stable nuclear deterrent presents the President and the Congress with difficult and complex choices. As the Chairman of the President's bipartisan Commission on Strategic Forces, General Scowcroft, has said: "There are no simple solutions to the questions that must be answered in basing our forces, achieving equitable arms control agreements and improving strategic stability."

As this committee knows, the specific issue of a new American ICBM has been debated hotly for almost a decade. It is time that we made a decision. And, in my view, that decision should be to proceed with production and deployment of the Peacekeeper missile.

There has been consensus on the need for a new ICBM for many years now. Each of the past four Presidents has supported the development of a new ICBM, and the Congress has been supportive as well. It is the choice of a basing mode for that new ICBM that has complicated the production and deployment decision.

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[42] Source: *S. Con. Res. 26, A Resolution to Approve Funding for the MX Missile. Hearings Before the Committee on Appropriations, United States Senate, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 132–140

The President's bipartisan Commission on Strategic Forces has completed its review of the overall U.S. strategic posture. The Commission studied a number of alternative basing modes for a new ICBM, consulted with Congress, and presented unanimous conclusions concerning U.S. strategic forces and arms control. The Commission conclusions have now been accepted by the President, and the President's recommendations are before the Congress. These recommendations provide the basis for developing a broad national consensus.

Let me now address the foreign policy implications of those recommendations.

Foreign Policy and the Strategic Balance

The most important goals of our defense and foreign policy are to prevent war and to maintain a just peace.

The foundation of peace in the nuclear age has been America's strategy of deterrence. Since we first acquired nuclear weapons, the United States has sought to prevent war by discouraging aggression against the United States and its allies. By presenting any potential aggressor with the prospect of certain retaliation, peace has been maintained for nearly 40 years. The history of the 20th century makes it sadly clear that peaceful intentions and good motives alone will not stop aggressors. Adequate military strength does do so, and the strategy of deterrence has been successful in protecting the security of America and Western Europe since the end of World War II.

The strategic balance, however, has dimensions beyond deterrence. That balance shapes the global context in which American foreign policy operates. As Deputy Secretary of State I am acutely aware that America's military strength is vital to the conduct of foreign policy. Our perceived strengths and weaknesses directly affect our ability to achieve our goals. Therefore, the decisions we make or fail to make on weapons programs are bound to influence the judgments not only of our adversaries but also of our allies and friends around the world.

The growth of Soviet military power relative to the United States over the past 10 years has had a direct effect on Soviet willingness to challenge America's interests around the world. Moscow is using its power directly in Syria, Poland, and Afghanistan, and indirectly through its proxies in Angola and closer to home in Central America. These are the tangible manifestations of growing Soviet power.

Our concern is that unless we maintain a strategic nuclear balance between the United States and the Soviet Union, the problem of Soviet adventurism will persist and may get even worse.

If for example, the Soviets are able to strike effectively at our land-based ICBMs while we do not have comparable capability, Moscow might believe it could gain political leverage by a threat of nuclear blackmail. Without arguing the question of whether the Soviets are prepared to launch a nuclear first strike, one can recognize that such a crucial imbalance in strategic capabilities could well make them bolder in a regional conflict or in a major crisis. That situation can not be in the interest of either this nation or of world peace.

Our visible commitment to maintaining the strategic balance is also essential to sustain the confidence of our friends and cohesion of our alliances. While we have debated among ourselves, and tabled serious arms control initiatives at the negotiating table, the Soviets have deployed—repeatedly. Over the past decade the Soviets have deployed three new ICBMs. They have tested two more in the last six months and have at least two additional new types of ICBMs in development.

What would our allies and other nations conclude about American strength, resolve and reliability if we were to fail to deploy a new ICBM in the face of these Soviet developments?

Our foreign policy, and our ability to defend our interests and our most cherished values, will be decisively strengthened if the Congress gives strong backing to the program the President announced last month.

Modernization of our deterrent, and of our land-based ICBM force in particular, is essential to the goals of preventing conflict, reducing the risks of war, and demonstrating our resolve to adversaries and allies alike.

At the same time, it will also increase Moscow's incentive to negotiate seriously in START (Strategic Arms Reduction

Talks) and other arms reductions talks. Let me say more on that subject.

Arms Reduction and the Strategic Balance

It is important to note that the Scowcroft Commission did not consider the ICBM problem, or even our overall strategic posture, in isolation from other issues. They also considered the relationship between strategic programs and arms control.

The Commission made clear that there was a necessary complementarity between strategic programs and arms control. Both arms control and modernization programs can affect the strategic balance. Vigorous pursuit of both is the best course to pursue. To quote the Scowcroft Commission Report: "Our arms control proposals and our strategic arms programs should thus be integrated and be mutually reinforcing. They should work together to permit us, and encourage the Soviets, to move in directions that reduce or eliminate the advantage of aggression and also reduce the risk of war by accident or miscalculation."

President Reagan adopted this dual approach early in his Administration. When he announced his modernization program, he also announced that the United States would negotiate with the Soviet Union to achieve mutual and deep nuclear arms reductions. We are now negotiating seriously with the Soviets in Geneva on both intermediate range and strategic nuclear weapons.

If we have learned anything from our experience in arms control negotiations over the last two decades, we should have learned this fundamental truth: the process of arms control depends on the demonstrated ability of the United States to maintain an effective strategic force. This, in turn, depends, as it always has, on maintaining a modern, capable triad of strategic forces. The Peacekeeper ICBM is a critical component of that modernized triad.

As a lawyer, I know that negotiations begin only when both parties believe they have something to gain by talking or something to lose by failing to talk. Without the incentive of gain or loss provided by our modernization program, the Soviets would see no advantage in negotiating seriously to reduce their own nuclear force.

The Peacekeeper represents the response that each of the past four administrations has considered necessary to offset, at least partially, the formidable Soviet ICBM arsenal. The question now before us is whether we shall abandon this decade-long modernization program.

As the Scowcroft Commission Report reasoned: "It is illusory to believe that we could obtain a satisfactory agreement with the Soviets limiting ICBM deployments if we unilaterally terminated the only new U.S. ICBM program that could lead to deployment in this decade . . . . Abandoning the MX at this time in search of a substitute would jeopardize, not enhance, the likelihood of reaching a stabilizing and equitable agreement."

The Commission's recommendations included more than support for deploying the Peacekeeper missile. The Commission also recommended, and the President agreed, that the full modernization program begun in 1981 be continued.

It also recommended development of a new small single-warhead missile and continuation of research on survivability improvements for our ICBMs, including active defense and silo hardening.

Mr. Chairman, questions have been raised about whether the proposed modernization program is consistent with our arms control objectives and our obligations under past arms control agreements. Let me assure you that the proposed program is fully consistent with those objectives and obligations.

The Peacekeeper is consistent with all specific provisions of existing SALT agreements. Deploying 100 of the new missiles in existing Minuteman silos, as the President proposed, would involve no construction of new fixed launchers, no increase in silo volume, and no increase in MIRVed (multiple independently-targetable reentry vehicle) ICBM launchers. Moreover, the 100 new Peacekeeper missiles in Minutemen silos are obviously far too small a force to be destabilizing.

Some have wondered, however, how the development of a small ICBM in addition to the Peacekeeper would be consistent with either SALT II or a possible START agreement.

The SALT II Treaty would have permitted deployment of no more than one new

ICBM on each side. On our side, the new missile would be the Peacekeeper. But that treaty, even if it had been ratified, would have expired at the end of 1985. The President's proposal calls for the start of engineering development of a new small ICBM, but no deployment would be possible until after 1990—long after the SALT II time period had expired. And long before that time, we would hope that a START agreement will have established a new regime for maintaining a stable strategic balance.

Beyond this, the new small missile, if it proves feasible, would have broader, positive implications for arms control. It would enhance stability, because it would be more survivable, and stability has always been a central objective of arms control since the process began. As Secretary Weinberger has explained, it may move the evolution of strategic systems in a stabilizing direction over the long term. The basic concepts underlying our START proposals are flexible enough to accommodate this small missile.

Mr. Chairman, the U.S.-Soviet strategic competition will continue into the long-term future, and there is no guarantee that a restructuring of U.S. and Soviet forces in the direction of single warheads will take place in the near future. But we believe both sides have real incentives to move in this direction. In the meantime, we need now to take the hard decisions necessary to ensure a safe strategic relationship for the years immediately ahead.

Conclusion

To sum up, I share with the Secretary of State and the Secretary of Defense the conviction that modernization of our strategic forces is a matter of the highest priority. A credible, flexible strategic force is not only vital to the balance of power but is the essential foundation of our role as leader and defender of free nations. The fundamental goal of nuclear deterrence depends on a credible force. Our goal of deterring non-nuclear war or nuclear blackmail also depends on it.

The Peacekeeper missile is indispensable to our near-term goals of restoring the strategic balance, achieving deterrence and providing an incentive to the Soviets for serious negotiations on arms reductions. Development of a small ICBM may well enhance strategic stability in the longer term. But as the Scowcroft Commission stressed, neither of the two systems can ensure security alone; they are complementary.

Strength and peace are also complementary. Both must be pursued with determination. And with that determination, both can be achieved.

Document 23

Remarks by President Reagan, May 16, 1983 [43]

MX Missile Deployment

Thank you very much. Thank you. Please sit down. Thank you for coming today. I realize it's very rough to break away from the office on short notice. But, the reason I've asked you to come is an important one—kind of an arm-twisting session.

For more than a decade, modernization of America's land based, strategic missile force has been analyzed, debated, and pondered by the Congress, four administrations, countless congressional committees and subcommittees, and nearly every columnist who's ever put pen to paper.

During all this time not one new U.S. missile has been deployed. In fact, the opposite has occurred. We've begun retiring our Titan ICBM's because of their old age—don't think what I'm thinking. (Laughter) (Applause)

ICBM, of course, stands for Intercontinental Ballistic Missiles. (Laughter) and by comparison, last year alone the Soviet Union deployed more than 1,200 ICBM warheads which is more than is projected for our entire MX Peacekeeper program. So, we've had a price, or paid a price, for our past unilateral restraint and indecision. And the growing imbalance in strategic forces has weakened the credibility of

[43] Source: White House Press Release, May 16, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, May 23, 1983, pp. 723–725. The President made his statement at a meeting with chief executive officers of trade associations and corporations in the East Room of the White House beginning at 3:58 p.m. The source text is the text as actually delivered.

our nuclear deterrent. Our self-restraint has left the Soviet Union with far less incentive to negotiate arms reductions.

The debate, analysis, and posturing are just about over. Within the next 2 weeks the Congress will decide the issue. They'll determine whether or not our deterrence, the key to peace in the nuclear age, will be strengthened. They'll also decide whether arms reduction negotiations now underway will have a chance to bring about a safer and more secure future.

When the Congress votes on the Peacekeeper program and later on the small missile funds, it will not be just another vote. Leaders in Western Europe, in the Kremlin, leaders everywhere will be watching because they know the decision will have a profound impact for generations to come.

It's hardly possible to exaggerate the stakes that are involved. The full Senate is scheduled to debate later this week on MX, and the House next week. The specific legislative proposal is to approve flight testing of the Peacekeeper missile and the work necessary for basing it in the existing Minuteman silos.

Implicit in the vote is the okay for the production of the missiles. And this is the essential first step for deployment of 100 Peacekeeper missiles, beginning in 1986, and for the development of a new, small single-warhead ICBM which would be mobile.

Congressional approval will be a clear signal of national resolve, the critical message so necessary if we're to assure deterrence and real arms reductions. When I endorsed the recommendations of the Scowcroft Commission, I did so in large measure because of its thoughtful integration of three indispensable elements—modernization, deterrence, and arms control.

There's a direct relationship between modernization programs like the Peacekeeper and the twin objectives of deterrence and arms control. Tear the elements apart and you have less security. Keep them together and the future of peace and freedom are strengthened.

Now, this isn't a partisan issue. The Scowcroft Commission demonstrated that it's possible to undertake a complex, emotional issue of extraordinary consequence and achieve bipartisan consensus.

Leading Republicans and Democrats across the country and senior officials from past administrations joined our call to build and deploy the Peacekeeper and to build the small, single-warhead missile, but not so we can fight a war. They want to build those missiles so America can secure deep arms reductions and preserve the peace. So do I, and so do we all.

Now, the question is whether the Congress can also reach a consensus, a consensus that will unite us in our common search for ways to strengthen our national security, reduce the risk of war and, ultimately, reduce the level of nuclear weapons. The security and well-being of our nation desperately require a lasting, national, bipartisan consensus.

We must sustain it from one administration to the next on arms control initiatives, defense policy and fundamental issues on foreign policy. A vote for the Peacekeeper program can lay the foundation for this consensus.

During the past several weeks, I've met with many members of the Congress. I've provided written replies to the specific concerns expressed by individual Senators and Congressmen. And, now, we're approaching the critical moment. In my discussions with the Congress, I've asked all Democrats and Republicans to act responsibly and to act together to endorse the Scowcroft Commission's recommendations.

Last week, two key congressional committees voted to support these recommendations. And now I'm asking you for your active support.

I want to again thank you for taking time from your busy schedules. Your presence proves you understand the stakes involved. But understanding isn't good enough. To ensure that the final decision is a reflection of a national consensus, you must express your views and make your voices heard. I hope that you'll do just that and do it soon.

The legislative clock is about to run out on this particular issue. So, again, I thank you for being here and again let me say because I'm so frustrated hearing the amateur psychoanalysis of some individuals that I don't really want arms reduction. Well, then why did I say it over and over again in the campaign? Why did I appoint two commissions that are in

Geneva—one negotiating on the strategic missiles and the other on the intermediate-range missiles in Europe? I do want arms control. I can't believe that this world can go on beyond our generation and on down to succeeding generations with this kind of weapon on both sides poised at each other without someday some fool or some maniac or some accident triggering the kind of war that is the end of the line for all of us. And I just think of what a sigh of relief would go up from everyone on this Earth if someday—and this is what I have—my hope, way in the back of my head—is that if we start down the road to reduction, maybe one day in doing that, somebody will say, "Why not all the way? Let's get rid of all these things." And that's why any of those fellows up on the Hill, lean on them. Do anything you can to persuade them that we must have this.

I know it sounds silly that—to build a missile in order to get rid of missiles. But we're very dangerously close to not having the deterrent that we need to keep the other fellow from using his or at least using them for blackmail.

So, we have to modernize to the point that there is a deterrent, that he knows that the damage to himself would be too great to risk pushing the button. And then with that taken care of, we start down to an equal and verifiable limit on both sides.

And I'm going to quit talking because I know there are others that are going to be speaking to you and I've got to get back to the Oval Office. But thank you all, again, very much for being here. (Applause)

Document 24

Prepared Statement by the Under Secretary of Defense for Policy (Iklé) Before a Subcommittee of the Senate Foreign Relations Committee, May 18, 1983 [44]

Ballistic Missile Defense

Mr. Chairman, I welcome this opportunity to discuss the national security implications of outer space and the President's recent initiative on ballistic missile defense. [45]

The technological revolutions in the possible uses of outer space have opened new opportunities—as well as threats—for national defense. Both United States and Soviet Armed Forces use satellite systems. U.S. military space assets provide support for military operations, such as: communications, command and control, warning, navigation, and weather information. In fact, space systems are used increasingly for command, control and communications. Our launch detection satellites and strategic warning systems contribute to our nuclear deterrence. Space systems also enable us to monitor compliance with arms control agreements.

Needless to stress, the U.S. military use of space is consistent with international law.

Our military space programs are not simply a reaction to Soviet space activities but are the result of our continuing evaluation of the best means of achieving our national security objectives. We see space as a region in which supporting military operations may be carried out. While our programs are not a reaction to those of the U.S.S.R., we must, of course, take account of Soviet space activities. As in other areas, the Soviet approach to space differs considerably from our own.

SOVIET SPACE ACTIVITIES

With the development and employment of an orbital antisatellite weapon over a decade ago, the Soviet Union clearly signaled its recognition of space as an arena in which to conduct war.

In the past 10 years, the U.S.S.R. has been launching more than 75 spacecraft per year, a rate of four-to-five times that of the United States. Over the past few years, the rate has been close to 100 annually. The annual payload weight placed into orbit by the Soviets is even more impressive—660,000 pounds—ten times that of the United States. This level of effort reflects the importance the Soviets attach to their space programs. But it may also reflect some technological weakness in the longevity and flexibility of their spacecraft.

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[44] Source: *Controlling Space Weapons: Hearings Before the Committee on Foreign Relations, United States Senate, Ninety-eighth Congress, First Session*, pp. 102–104.

[45] See document 13.

Soviet military and military-related space programs range from extended manned missions, to meteorological, communications, navigational, reconnaissance, surveillance, targeting and antisatellite missions.

Since the U.S.S.R.'s successful launch of Sputnik I in 1957, the Soviets have pursued a vigorous and methodical program to exploit space for military purposes. The initial Soviet use of space for military applications occurred in 1961 with the launch of their first photographic reconnaissance satellite. Throughout the 1960's and 1970's, Soviet military space programs expanded in both scope and numbers. By now, these programs had developed into mature, integrated systems for the direct and indirect support of Soviet military forces, and with the capability to threaten low-altitude U.S. and allied satellites.

On any given day, 70–110 Soviet satellites are in orbit, more than half of which serve primarily military purposes. Some 85 percent of all Soviet space launches are primarily military or joint military/civilian missions.

It appears that the Soviets are developing a re-usable space system, similar to the U.S. space shuttle, and a smaller space plane. Orbital developmental test flights of the smaller vehicle have already occurred. These systems could be in regular use within a decade and will further expand the military flexibility and capability of the Soviet space effort.

Soviet manned space missions are becoming increasingly complex and constitute the single most extensive element of the Soviet space program. After accomplishing many firsts in the early 1960's, including the first man in space, the Soviet manned program was momentarily overshadowed by the U.S. manned program during the late 1960's. Since 1971, the Soviets have placed seven space stations in orbit. The first Salyut I manned space station was launched in 1971. A second type of Salyut station was launched in 1973. Both were capable of conducting military research.

By 1977, the Soviets had developed the capability to resupply and exchange personnel on their Salyut space stations. On three occasions the Soviets have conducted manned missions lasting as long as 6 months. With completion in 1982 of the 211 day mission, the Soviets set a new record.

The Soviet commitment to their manned space program is growing. The development of a large manned space station by about 1990 to maintain a military presence in space is, we believe, one of the goals of the new heavy-lift launcher systems now in development. The Soviets also will use the heavy-lift space boosters to orbit even larger space stations and space modules before the end of the century. Such space stations could weigh more than 100 tons and be able to support a large crew for extended periods without replenishment.

The U.S.S.R.'s introduction, application and known future development of space weapon systems point to a coordinated program involving:

The present generation of antisatellite vehicles, now operational and designed to destroy low-orbiting satellites.

A very large, directed energy research program including the development of laser-beam weapons systems which could be based either on the ground, or aboard the next generation of Soviet antisatellite systems or Soviet manned space stations.

The operational Soviet antisatellite system has the capability to destroy U.S. space systems in near-Earth orbit. The Soviets conduct yearly tests to practice satellite interception and to refine the ASAT system. We believe that one of the purposes of the Soviet Union's space weapons program is the development and deployment of a space-based laser. The Soviets could launch the first prototype of a small space-based laser antisatellite weapon in the late 1980's or early 1990's. A system capable of attacking other satellites within a few thousand kilometers range might be possible in the 1990's. Space-based ABM systems could be tested in the 1990's, but probably would not be operational until after the turn of the century.

The Soviets have steadily increased their space photographic and electronic reconnaissance effort since the early 1960's. Each year over 50 of these satellites are launched to support military forces on a daily basis. The Soviet military space program also reflects an ever-increasing use of space for world-wide surveillance and warning. The Soviets have brought a number of United States and

allied military forces under surveillance by these space-based systems. The surveillance satellites include an ICBM launch detection system and ocean surveillance systems, such as the two nuclear-powered satellites that caused worldwide alerts during their breakup and reentry into the Earth's atmosphere in 1978 and early 1983. Soviet efforts in the surveillance field are expected to lead to a multi-satellite detection, surveillance and attack-warning system against strategic and nonstrategic ballistic missiles and possibly bombers as well.

The Soviets also are increasing their use of space systems for command, control, and communications. Since the mid-1960's when their first communications satellite was launched, the U.S.S.R. has continued to improve and expand its communications satellite programs to support its political leadership and its military, diplomatic and intelligence missions.

The Soviets have embarked on an ambitious expansion of their communication satellite program that will significantly enhance their global command, control and communications capability. Over the next 10 years, the Soviets will develop and deploy an even more advanced series of communication satellites, some of which might relay transmissions from manned orbital command and control platforms.

DOD SPACE ACTIVITIES

Let me now turn to our own activities. In support of our national security, the Department of Defense acquires and operates space systems and pursues space-related research and technology development projects.

As noted, Soviet development of an operational antisatellite capability presents the potential for space to become a hostile environment. Therefore, the DOD space policy directs that military space systems, including essential ground elements as well as orbiting spacecraft, be designed, developed and operated to enhance their survivability and endurance.

Since 1977, it has been U.S. policy to pursue the continued development of an operational, non-nuclear antisatellite capability. If we have a credible retaliatory capability, we are better able to deter attacks against our space systems.

We are currently signatories of at least three treaties—which affect certain military activities in space: the Outer Space Treaty,[46] the Limited Test Ban Treaty,[47] and the Antiballistic Missile Treaty,[48] our treaty obligations include:

Liability for damages from activities in space (Outer Space Treaty);

The maintenance of space access to and operations in space (Outer Space Treaty);

And noninterference with national technical means of verification (ABM Treaty, Salt I,[49] Salt II).[50]

The Outer Space Treaty also prohibits, on the ,oon and other celestial bodies, the establishment of military bases, installations, and fortifications, the testing of any types of weapons, and the conduct of military maneuvers. This treaty also prohibits the placement in orbit around the Earth, installation on the Moon or other celestial bodies, or stationing in outer space of any objects carrying nuclear weapons or any other "weapons of mass destruction." The testing or orbiting (in outer space proper) of weapons using conventional explosives is not prohibited.

The 1972 ABM Treaty prohibits the development, testing, and deployment of space-based ABM systems and components (article V). Should future technology bring forth new ABM systems "based

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[46] Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, Including the Moon and Other Celestial Bodies, done at Washington, London, and Moscow, January 27, 1967, and entered into force, October 10, 1967; for text, see 18 UST 2410.

[47] Treaty Banning Nuclear Weapons Tests in the Atmosphere, in Outer Space and Under Water, signed at Moscow, August 5, 1963, entered into force, October 10, 1963; for text, see 14 UST 1313.

[48] Anti-Ballistic Missile Systems Treaty, May 26, 1972; for text, see 23 UST 3435.

[49] Interim Agreement Between the United States of America and the Union of Soviet Socialist Republics on Certain Measures with Respect to the Limitation of Strategic Offensive Arms, signed in Moscow, May 26, 1972, and entered into force October 3, 1972; for text, see 23 UST 3462.

[50] Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Strategic Offensive Arms, signed in Vienna, June 18, 1979; for text, see *Documents on Disarmament*, 1979, pp. 189–198. The treaty has not been ratified by the United States, but both signatories have stated the intention of respecting its provisions as long as the other party does.

on other physical principles" such as lasers and particle beams, as opposed to those employed in current systems, it was agreed that limiting such systems would be discussed before deployment in accordance with the treaty's provisions for amendment.

In conclusion, let me say a few words about the President's initiative on strategic defense. The President decided that we embark on a program to counter the Soviet missile threat with measures that are defensive. He directed a comprehensive and intensive effort to define a long-term research and development program toward the goal of eliminating the threat posed by nuclear missiles. This development could be—indeed should be—complemented by arms control measures.

In accordance with the President's decision, the Defense Department, in cooperation with other agencies, has initiated a two-pronged effort: one to explore and prioritize the technologies, and the other to develop and define the policy and strategy options. We are not envisioning a single system to intercept and defend against all missile attacks. Our research is designed to explore a defense network—a series of systems not necessarily based on the same technology or physical principles—which taken together will provide an effective defense against nuclear ballistic missiles for us and our allies. We recognize full well that this is a long-term effort whose fruits may not be available until the next century.

Because this is a long-term effort we need to be clear, as the President explained, that we must continue for the interim to rely on deterrence to preserve the peace. We also must—and will—continue to pursue agreed reductions in nuclear arms that are balanced, and verifiable. Because our search for defensive technologies has the goal to reduce the threat of ballistic missiles, it is fully consistent with the arms reduction effort we are pursuing today in the START negotiations. It supports those efforts by offering the prospect that the effectiveness and role of ballistic missiles may be reduced sharply in the future. The President's initiative is, of course, also fully consistent with existing arms control agreements. While the ABM Treaty does prohibit the development, testing or deployment of ABM systems, it does permit research.

Mr. Chairman, the essence of the President's decision on strategic defense, in my view, is that it opens up alternative avenues to preserve the peace in the nuclear age. President Reagan's successors—in the next decade, or in the first decade of the next century—need not have their options limited by the strategic notions that were fashionable in the 1970's. Our strategic planning has been restricted far too much by the idea that defensive systems are bad and that we can and must, indefinitely, remain locked into a confrontation of all-powerful, offensive missile forces. We owe it to the next generation to make a determined search for better alternatives.

Document 25

Address by Vice President Bush Before the Veterans of the Office of Strategic Services, May 24, 1983 [51]

Importance of Intelligence to National Security

Thank you, Bill.[52] Good evening. I'm honored to be here tonight participating in this ceremony, because I can't think of anyone who deserves the Donovan award more than Dick Helms. Having inherited his job at CIA—if only for a short time[53]—I gained a real respect and admiration for the magnitude of Dick's accomplishment over there.

Not many of you may know that before Dick got into intelligence, he was working for the other side—the press. In the thirties, Dick was a correspondent for UP in London and later, Berlin, where he observed first hand the developments in the

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[51] Source: Press Release, May 24, 1983, Office of the Press Secretary to the Vice President. The address was given at a dinner the Washington Hilton Hotel. The occasion for the remarks of the Vice President was the presentation of the William J. Donovan award to Richard Helms. Donovan was Director of the Office of Strategic Services, 1942–1945; Helms was Director of Central Intelligence, 1966–1973.

[52] William J. Casey, Director of Central Intelligence.

[53] Bush served as Director of Central Intelligence, 1976–1977.

Nazi government. He was even able to get a personal interview with Adolph Hitler. I hear tell that this meeting was mentioned in the so-called Hitler diaries, although the scholars apparently became suspicious when the diaries referred to Dick as the future director of the CIA.

Anyway, Dick joined up early with Wild Bill Donovan's OSS, organizing intelligence networks from his vantage point in England and other stations throughout Europe.

Still serving in the OSS after the war he closely observed Soviet methods and intransigence in Germany and Berlin. What he learned then made Dick Helms decide to stay on in Government service. He became convinced that the United States would face many threats in the postwar world, and he realized that effective intelligence was vital if the democratic societies were to be able to defend themselves against those threats.

It's hard to imagine now, but in 1940 and 41, Bill Donovan was a one-man CIA for Franklin Roosevelt. The OSS was brought into being in great part simply through the force of Donovan's determined personality.

Well, after World War II, it took other forceful personalities to define the role of our intelligence service in a very different, but equally threatening world situation. One might even say that with the introduction of nuclear weapons into the equation, the situation became even more threatening than it had been in the past. Dick Helms was instrumental in helping define that role. He has dedicated a good part of his life to the development of an agency that is second to none in intelligence gathering and analysis. But just as important, one that could exist within a free and democratic society.

It has been said that the role of secret intelligence in a democratic society will always be an uncomfortable one. Secrecy is not what democratic societies are all about. They're about free and open discussion, the free and open exchange of ideas and information.

Unfortunately, there are certain unpleasant realities that we can't ignore. We must live in a world made insecure by international terrorism and expansionist totalitarian powers.

But the CIA can be very proud of the fact that at the same time that it is working tirelessly to protect American freedoms from foreign threats, it is fastidious in respecting the laws of the land. The CIA is conscientiously upholding the law, safeguarding the rights of American citizens.

I was asked at a press conference the other day how, as a politician, I would justify to the American people being head of the CIA. I said that I wear my directorship of that organization as a badge of honor. I've always considered my service there as an asset rather than a liability, and I'll feel that way till the day I die. I don't think I'd be standing here in this job right now if the American people felt any differently. I think they want a strong intelligence service. I think anybody realizes that in a world as troubled as this you need the best possible intelligence.

I'm proud of the time I was in the CIA, because I'm proud of the men and women who serve there. I can't praise highly enough the academic excellence of our intelligence community, and the commitment of these people who have put in a lifetime of service to their country—many of them anonymously. They never get to sit at the head table; they never see their names up in lights. But all of us are profoundly grateful that these extraordinarily talented and dedicated people have sacrificed their place in the sun so that the rest of us may live secure in our freedom.

I've been doing a lot of traveling recently, and my sense of things is that the post-Vietnam, post-Watergate inclination to tear down our intelligence agencies is behind us now. I think we all realize that we must build on what we have, and that we must give our intelligence community the support it needs to enable it to get its job done.

You know, just one indication of how essential our intelligence has become in this world is that we couldn't even begin to think about arms control if we didn't have a CIA and an intelligence community to check up on the other side to make sure they're playing by the rules. A negotiated settlement on strategic weapons must ultimately rely on intelligence for its verifiability.

There are some things I think and some things I know, but one thing I know is that the President is deeply, fervently

committed to arms control. I sit with him and he tells me of his hopes and fears for our future generation. But weakness in the face of a totalitarian adversary never made the world a safer place. Bill Donovan knew that, just as Winston Churchill and Franklin Roosevelt knew it. That is why the President has put so much emphasis on getting the MX program passed through Congress. This Administration has made it a top priority to redress the imbalance that has existed in both conventional and nuclear forces, because only by having the strength to endure war can we gain a lasting peace.

We will take every opportunity to negotiate a verifiable reduction in arms. But we will never again, as we did over the last decade, permit our armed forces to be downgraded in the vain hope that the Soviets will follow our example.

Any treaty has to insure equal and fair reductions on both sides. It is an interesting fact of public perception that this Administration's commitment to arms control is called into question, because it is under President Reagan that for the first time we are actually negotiating with the Soviets on arms *reductions*. Every treaty in the past has only put *limits* on arms *build-ups*.

Well, I look at the CIA as a kind of preventative medicine. The objective is to keep the peace by keeping ourselves informed and our national security apparatus strong and healthy; that way it won't become necessary to flight a war, as it did almost a half-century ago, because we have grown weak or because an enemy misjudges the firmness of our resolve.

Maybe there will come a time in the future when the world will be a happier place, free from the threat of nuclear war and no longer torn by international hostilities. When that time comes, it will be in no small measure due to the dedication and selfless service of men like Dick Helms who have devoted their lives and invested their great skills and imaginations in creating an intelligence agency of unparalleled professionalism and expertise—and in the process making this a safer and more peaceful world for all of us.

Document 26

Statement by President Reagan, June 10, 1983 [54]

Extension of the President's Commission on Strategic Forces

First, I want to take this occasion to again thank members of both parties in the Congress for their support of the Scowcroft Commission's recommendations on modernization, deterrence, and arms control. [55] Their support for these crucial, interdependent recommendations gives us a genuine chance to achieve balanced, verifiable arms reductions—the goal we all seek. I am determined to achieve effective deterrence and significant strategic arms reductions, and I am confident that they can be achieved. But, if we are to secure our common objectives, the consensus we now have must be maintained.

I look forward to working with the Congress in the days ahead to maintain and strengthen this bipartisan consensus. In this regard, I will submit an annual status report to the Congress. To assist me in this effort, I am pleased to announce that I have asked the members of the Scowcroft Commission to continue to serve until January 3, 1984. The Commission will review, on a periodic basis, the progress made in implementing the recommendations contained in its report of April 1983, with particular reference to the deployment of the Peacekeeper missile, development and deployment of a small, single warhead intercontinental ballistic missile system, and developments in strategic arms reductions. The Commission will consider carefully the views of the Congress during the review. The value to the country of this bipartisan framework both with the Congress and through the Scowcroft Commission is evident to all. It must be and shall be sustained

[54] Source: White House Press Release, June 10, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, June 13, 1983, pp. 858–859.

[55] U.S. House of Representatives on May 24 and the Senate on May 25 approved resolutions releasing $625 million in research and development funds for the MX missile program.

through and beyond the work of the Commission. I pledge this to the Congress and ask their reciprocal good faith.

In addition to consulting closely with the members of Congress, I have directed Chairman Scowcroft to seek out views and assistance from a wide variety of leading authorities in the strategic and arms control field. As before, the Chairman has authority to appoint Senior Counselors as he deems appropriate.

As we continue to move forward in this vital bipartisan effort, let us all keep in mind our fundamental goal—to conclude agreements that will enhance security and stability by reducing overall strategic force levels while permitting modernization of forces necessary for effective deterrence.

Document 27

Address by the Secretary of Defense (Weinberger) Before the National Conference of Editorial Writers, San Francisco, June 24, 1983 [56]

Revitalizing the National Defense

The defense issue is much in the news these days. In addition to the debate over nuclear weapons, we hear broader questions about the overall defense program and the defense budget. Public opinion polls indicate that most people now accept the need to counter the increased military threat from the Soviet Union. Nevertheless, questions remain about whether the administration's rearmament plans are affordable or even necessary. To some, the large defense increases we have requested seem merely an attempt to throw money at the problem—without a program of well thought-out priorities. Underlying all these concerns, I believe, is the fear that our rearmament program is ultimately unachievable—that year after year we will be asked to provide even higher resources for defense, with no end to the increases in sight.

Let me take this occasion to put the record straight. First, we do have a multiyear defense program with a realistic set of priorities to restore our military strength and regain a military balance with the Soviet Union. Second, our program is achievable—indeed, a good part of it has already been achieved in the last 2 1/2 years. Third, there is light at the end of the tunnel—if we continue with our plans and refuse to give in to calls to halt or cut back on a program which is only midway through.

When I left San Francisco in 1981, I expected to find some problems in Washington. But frankly, I was surprised to find conditions as bad as they were. First, my initial intelligence briefings showed that the Soviet threat had grown enormously in the 5 years since I had been in the government before. Their 20-year defense buildup had paid off. The Soviets now possessed a conventional military force capable of projecting power far beyond its borders, and attacking swiftly with larger, modernized, and increasingly flexible forces in more than one place at a time. The rapid Soviet buildup of nuclear forces was even more alarming, and the strategic balance had begun to tip dangerously in their favor.

Second, I discovered our own forces were in a sad state of disrepair as a result of declining defense budgets during the 1970's and years of underfunding existing accounts. When President Reagan took office he charged the Defense Department with taking a cold hard look at our existing force posture and developing a program to correct the shortcomings. The problems we found were in three areas.

—Equipment and facilities had been allowed to become obsolescent, yet planned modernization programs were inadequate to correct the years of neglect.

—Maintenance problems soared, yet much too little had been budgeted to keep equipment in good repair.

—Military morale was at an all time low because of inadequate compensation and the apparent neglect of the armed forces.

We knew the situation we found in 1981 could not be rectified overnight. And we knew that it would cost a very great deal to make up for the fact that our defense budgets had declined by more than 20 percent in real terms from 1970–1980—which was the second decade of Soviet expansion.

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[56] Source: Department of Defense files.

But we took the essential steps right away. We set priorities, made the tough decisions to cut out the nonessential, applied some good honest business sense to managing the rest, and made investments that are already showing dividends.

What we realized was that, in effect, we would have to accept "double duty." First, we had to act quickly to improve the basic readiness and staying power of the forces we had, so that if an immediate crisis were to arise, we would be ready to meet it. Being ready to meet such a crisis is the best way to avoid or deter it. But at the same time we had to make up for lost years of investment by emphasizing research and development and by modernizing and strengthening all our forces, particularly the three legs of our strategic triad of deterrence.

One of our highest priorities was to improve the readiness of our existing forces to restore adequate manpower and training, maintenance, and supplies of spare parts and ammunition. We requested, and received, the monies to do this.

We are already seeing results. The number of fully or substantially ready major active units has increased by over one third since 1980. Over the last 2 1/2 years we have also systematically reduced maintenance backlogs. We have cut in half the number of Navy ships awaiting overhaul and last fiscal year we eliminated the Army depot maintenance backlog. Training is up. For example, Air Force pilots now train an average of 20 flying hours per month compared to a dangerously low 13 hours a month in the late 1970's—an increase of 65 percent.

But our most dramatic success in the readiness area has been with military personnel. In 1981 we were faced with declining recruitment rates and an alarming exodus of our most competent and experienced personnel. The cumulative effect of years of inadequate pay and compensation had taken its toll—our armed forces could no longer attract or retain the highly qualified men and women they needed.

Upon taking office, we moved quickly to raise salaries, pay re-enlistment bonuses and improve the quality of life of the men and women in the armed forces. There is overwhelming evidence that our efforts paid off. The members of the armed forces—and the youth of America—quickly recognized that dignity had been restored to military service and that we were sincere about compensating them adequately for their work and sacrifices, and about providing the training they require to do their jobs properly. Then our junior officers and enlisted personnel began remaining beyond their initial terms. Then the morale, discipline, and harmony in our units and on our ships surged dramatically.

In the first 6 months of 1983, all four services have exceeded their recruitment objectives, and we actually have waiting lists for all services. We also have been able to obtain better educated young Americans. In 1980 only 68 percent of our new recruits had high school diplomas. Now over 89 percent are graduates, compared to only 75 percent of our nation's youth. For the past year and a half we have recruited a higher percentage of high school graduates than ever before, even during the draft.

Retention is also up dramatically. So far this year, over 70 percent of all eligible personnel have reenlisted, compared to only 55 percent in 1980. Indeed, the revitalization of our all volunteer force has been one of the earliest and best successes of the Reagan defense program, a reflection not just of better pay and benefits, but also of recognition by servicemen and women that, as the President is fond of saying, it is once again an honor to wear the uniform.

Another major problem we inherited from the last decade was the deterioration in sustainability—the ability of our forces to continue fighting in the event of a prolonged conventional war. Stocks of spare parts and munitions had been at precariously low levels for years. The dangers of this situation became all the more apparent as evidence mounted of the Warsaw Pact's ability to conduct high intensity, non-nuclear warfare beyond the first weeks of combat.

Therefore, in addition to budgeting for improvements in readiness, we also had to budget for unglamorous, yet essential items such as replacement equipment, spare parts, ammunition, fuel, and other essential consumables. We have been increasing the real dollar funding for sustainability; in FY 1984 our request of $12.3 billion is more than double the $5 billion funded in the last year of the Carter administration. By the time the material appropriated in this year's budget is

delivered we will have increased our ability to sustain combat by 25 percent over the levels we had in 1980.

With these improvements to the basic readiness and staying power of our forces—many of which have been already accomplished, we are achieving the first part of our "double duty" assignment. By spending funds so that we are now more ready to meet an immediate crisis, we buy ourselves the best insurance that such a crisis will not be forced upon us. Indeed, if we fulfill all our objectives and hopes we will never have to use any of those things that are necessary to acquire now if we are to maintain our deterrent strength.

In some ways the second half of the double-duty we inherited—obsolescent equipment—was the more serious, because it would be more expensive to fix and take longer to remedy. As I said earlier, when this administration took office we found that the capability of our conventional forces had been badly neglected, at a time when Soviet forces were becoming increasingly sophisticated. This called into doubt our ability to protect critical U.S. interests around the world now and in the future. An independent estimate indicated that our defense "capital stock", the value of all our equipment and supplies on hand, had actually declined by almost 20 percent during the 1970's. Many of our combat units suffered from severe equipment shortfalls in armored personnel carriers, aircraft and ships—or were equipped with obsolete hardware. The Joint Chiefs of Staff and other experts warned of a "hollow" Army, a shrinking Navy, and an aging Air Force.

During the past 2 1/2 years we have taken steps to reverse this trend, and we are receiving the first deliveries of more and newer equipment into our forces. I hasten to add that we are not pursuing technology for technology's sake, but because we must counter the superior quantity and improved quality of our adversaries' weapons with equipment which is at least as good.

It is particularly galling to note that much of what we must acquire is to compensate for modernized Soviet weapons which display new technologies either stolen or purchased legally from the West. For example, we recently discovered a Soviet listening device planted off the West Coast, near our Trident missile test range. The microelectronics in the Soviet system, although made in the Soviet Union, are a replica of those manufactured in the United States.

One of the improved Soviet weapons systems is the Backfire Bomber and its new anti-ship missiles—which present a new threat to our maritime forces.

These anti-ship missiles are faster and can fly higher than their predecessors. The Backfire Bomber itself can fly faster and farther, and is able to launch its missiles farther away from the target, thus posing a new long-distance threat to our fleet.

To defend against this new Soviet threat, we are improving our early-warning radar capability to see "over the horizon" in order to detect these longer range bombers. We are also enhancing our fighters with better weapons of improved range to intercept the Backfire before it launches its missiles. Because we cannot hope to destroy all the bombers before they launch their missiles, we also have developed the aegis, a missile defense system mounted on a cruiser. The Aegis has an improved ability to detect both low- and high-flying missiles, and can track and engage a large number of missiles simultaneously.

Adding new technology, such as that used in the fleet defense system I have just described, is expensive and, because it is at technology's cutting edge, can be expected to experience delays or problems in initial development and testing. That is why we are particularly pleased that so many of our new high technology weapons are entering the inventory ahead of time and under or at the estimated cost.

Two of our biggest successes are the new M-1 Abrams tank and the B-1B bomber. The initial bugs are now out of the M-1 and we are buying it at the efficient rate of 720 per year. Although the M-1 is about 30 percent more expensive than its 21-year-old predecessor, the M-60, it is vastly more effective. The M-1 is the fastest and most agile tank in the world today. After only a two year production run, it is already averaging over 350 mean miles between failures. This compares to the roughly 240 mean miles between failure which the M-60 attained after 12 years in production. The M-1 is significantly more agile than the M-60 and provides a more effective capability to fire while moving at high speeds of 35-40

miles per hour with good accuracy and effectiveness both day and night. This capability adds significantly to the tanks already substantial levels of survivability. The addition of the M–1 tank to our force definitely adds to the credibility of our conventional deterrent.

The B–1B Bomber is another success story. Last week I had an update briefing on the B–1B. The B–1 has undergone eleven test flights since March 23 and the results have so exceeded our expectations that we now anticipate the first flight of the actual production run could be three to 5 months ahead of schedule, thus moving up full-scale production. The best news of all is that the four major contractors all claim lower than projected costs for a 1.4 to 4.4 percent cost *underrun*. We believe many of these weapons procurement success stories are due to our management reforms and campaign to increase the number of defense contracts let on a competitive bid basis.

We have made a good beginning. After 2 1/2 years of the Reagan defense program, the basic readiness and sustainability of our forces is improving dramatically. Our program to replace aging and obsolescent equipment with modernized systems is well under way.

Let me conclude by making two points. The first is that we must develop a responsible and balanced understanding of the real meaning of the threat we face. The detailed facts are clear enough. But there is great resistance to accepting the real meaning of these facts, because to do so is to accept the need for a major sustained response. Confronted as we are by all manner of other real or apparent needs, there is a temptation to argue away even the most overwhelming evidence, with misplaced hope that we can continue as usual, putting off or cancelling unpopular military necessities, and increasing our spending on more politically popular domestic programs. Instead, the regrettable fact is that, in view of the threats posed to our national security, this course is no longer open to us.

We must also recognize that the commitment to deterrence and defense is neither easy nor inexpensive. When it confronts an opposing coercive "offensive" strategy, it requires continued vigilance to maintain. When deterrence succeeds, it is easy to attribute the maintenance of peace not to the contribution of the defense that enforces the deterrent, but to a host of more facile assumptions—some imagined new-found "peaceful intent" of the opponent, the spirit of detente, growing economic interdependency, and so forth. When deterrence fails, however, and the opponent has deliberately weighed the risks and still decided to attack, the dividends of a viable defense are unquestionable. But unless such a defense is acquired, is in being, and is maintained at the ready, it is too late to try to regain it after war begins.

My second point is that this administration, in accepting its double duty of preparing our forces to meet a present crisis and equipping them for the future, has also accepted a political risk. It would be tempting to skimp on readiness, or to eat into our ammunition stockpiles once again. It would be tempting to let the next few administrations worry about the state of our military forces a decade from now. We could have tried to get by with tough rhetoric and a few showy new programs.

But the President is not willing, I am not willing, and I believe that ultimately the American people are not willing to pass on the legacy of neglect which we inherited. It would be unfair to our children; and it would be unsafe for ourselves.

I have given you good news today. But it is good news of progress, not of completion. Our improvements in readiness and sustainability would evaporate if we once again starved these areas of funds. A halt to our force modernization program would waste billions of dollars already invested, and leave us, if anything, even more vulnerable to Soviet aggressions. A strong and affordable defense is within our grasp. Now is not the time to draw back.

Document 28

Letter From President Reagan to Members of the House of Representatives, July 19, 1983 [57]

Production of the MX Missile

This week the House will consider Title III of the fiscal year 1984 Defense authorization bill which implements the bipartisan recommendations of the Scowcroft Commission. Endorsing these recommendations will give this Nation a very solid chance to secure a balanced, verifiable arms reduction that, through greater stability, can make our Nation, our world, our people safer. In terms of speaking with one bipartisan voice, of standing up for U.S. vital interests and of strengthening America's agenda for peace, this vote is of special significance.

When I endorsed the entire Scowcroft Commission Report, I did so by recounting a quote from the report's conclusion: "If we can begin to see ourselves in dealing with the issues, not as political partisans or as crusaders for one specific solution to a part of this complex set of problems, but rather as citizens of a great Nation with the humbling obligation to persevere in the long-run task of preserving both peace and liberty for the world, a common perspective may finally be found."

These words, which guided the Commission, were instrumental in forging that bipartisanship which aims for deep reductions in both the U.S. and Soviet strategic arsenals, coupled with necessary modernization of our strategic forces in a way which will enhance stability.

Andrei Sakharov, the distinguished Soviet physicist and Nobel laureate, made a supporting argument to those aims when he stated in a recent letter that "arms control talks with the Soviets would be much easier if the United States were to have the MX albeit only potentially." [58]

The MX Peacekeeper is being built, as an integral part of the bipartisan Scowcroft Commission's package, to strengthen deterrence. It also provides vital negotiating leverage in Geneva. That lever is working.

Although the Commission called for the deployment of 100 missiles, the level ultimately deployed will be influenced by the outcome in Geneva. If an agreement is reached which calls for deep reductions—which is our goal—the number of missiles could certainly be adjusted downward.

We need the MX, not only for force modernization, but to keep the Soviets moving at the negotiation tables. That is why congressional endorsement of the Scowcroft Commission recommendations, as embodied in Title III of the Defense authorization bill, is so important. [59]

The American people believe that this should not be a partisan issue. I hope that I can count on your help to implement all elements of the Scowcroft Commission recommendations. Together we can ensure a continuing national consensus that can lead to the eventual elimination of all nuclear weapons.

Sincerely,

RONALD REAGAN

Document 29

Address by President Reagan Before the Convention of the American Legion, Seattle, August 23, 1983 [60]

Building Peace Through Strength

At home and abroad, our country is on the right track again. As a nation, we have

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[57] Source: White House Press Release, July 19, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, July 25, 1983, p. 1025.

[58] Reference is to an open letter from Andrei Sakharov, a distinguished Soviet physicist and winner of the 1975 Nobel Peace Prize, to Dr. Sidney Drell of Stanford University, which was printed in *Foreign Affairs*, Summer 1983, pp. 1001–1016.

[59] On July 20 the House of Representatives approved funding for the MX missile program as part of the fiscal year 1984 Defense authorization bill. The Senate also approved funding on July 26.

[60] Source: White House Press Release, August 23, 1983, Office of the Press Secretary

Continued

closed the books on a long, dark period of failure and self doubt and set a new course. With your continuing support and the support of millions of other patriotic, God-fearing Americans we have come a long way. But the task we face is still a challenging one and a lot of hard work remains to be done. But let's be sure we know what needs to be done.

We've got a few people in Washington who don't want to hear when we tell of our arms control and strategic modernization program and America's responsibility to protect peace and freedom. My own concern with these issues is nothing new, as many of you know. Three years ago at your Boston convention, I pledged to restore America's military posture so that we could promote peace while safeguarding our freedom and security.[61] With the help of groups like the Legion, we've kept that pledge. (Applause)

Our military forces are back on their feet and standing tall. Modern equipment is being delivered to the troops, training is way up, and combat readiness rates have really soared. And, once again, young Americans wear their uniforms and serve their flag with pride. (Applause)

We're getting and keeping very good people in all of the services. We've made great progress, and we're going to make more, and I hope that makes you as proud as it does me. (Applause)

I have to interrupt and tell you a little thing, and I don't mean this to—these young men and women in our armed services are hostile and warlike. They know that they're the peacekeepers. But an ambassador wrote me a letter, our Ambassador to Luxembourg,[62] and he said he had been up in the East German frontier and visiting the 2d Armored Cavalry Regiment, and as he went back to his helicopter, he was followed by a young 19-year-old trooper and the young man asked him if he thought he could get a message to me. Well, being an ambassador, he allowed as how he could. And the kid said well, would you tell him we're proud to be here and we ain't scared of nothing. (Applause)

But while I'm on the subject of our military forces I want to reaffirm our determination to account for every brave American who served in Southeast Asia. (Applause) This administration has not forgotten and will never forget the sacrifices that they and their families have made. And we will not rest until the fullest possible accounting has been made. (Applause)

The other half of restoring our military posture concerns our strategic forces. In the past, we paid a grim price for indecision and neglect—for a one-way restraint that was never returned by the other side. The resulting imbalance weakened the credibility of our nuclear deterrent—the deterrent that has been the single greatest bulwark for peace in the postwar era. While past American leaders hesitated or naively hoped for the best, the Soviet Union was left free to pile up new nuclear arsenals without any real incentives to seriously negotiate reductions.

Well, history doesn't offer many crystal clear lessons for those who manage our Nation's affairs. But there are a few, and one of them is surely the lesson that weakness on the part of those who cherish freedom inevitably leads to trouble—that it only encourages the enemies of both peace and freedom. On the other hand, history teaches us that by being strong and resolute we can keep the peace—and even reduce the threats to peace. (Applause)

And that was why, at your Boston convention in 1980, I pledged to strive for arms reduction agreements—not so-called arms control agreements that permitted further growth, but real arms reductions.

We've kept that pledge, too. For the past 2 1/2 years, this administration has steadfastly followed a dual-track of deterrence through modernization and the search for a more stable peace through arms reduction negotiations.

There is no contradiction in this dual approach, despite what some of the critics in Washington might have you believe. The restoration of a credible deterrent and the search for real arms reductions and stability are two sides of the same

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to the President; printed also in *Weekly Compilation of Presidential Documents*, August 29, 1983, pp. 1159-1164. Introductory remarks have been omitted. The source text is the text as actually delivered.

[61] Reference is to candidate Ronald Reagan's speech before the National Convention of the American Legion in Boston, August 20, 1980; for extracts, see the *New York Times*, August 21, 1980, p. B8.

[62] John E. Bolibois.

coin—a coin that is inscribed with the words, peace and security.

Now, our efforts are designed to sustain peace, plain and simple. We don't seek an arms race; indeed, we seek to reverse the trends that cause it by beginning to lower the levels of the nuclear arms. But we will not, and we cannot, accept anything that would be detrimental to our security and to the freedom and safety of our children and our grandchildren.

And that's what is so important about the MX. The MX Peacekeeper missile and our program to develop a new, small, single-warhead missile are critical to our country's present and future safety. They will maintain state-of-the-art readiness against the Soviets' already modernized systems. They will also ensure stability and deterrence, making it clear that aggression by the Soviet Union would never pay. And they're an essential incentive—(Applause)—they're an essential incentive for the Soviets to negotiate seriously for genuine arms reduction so that we can move to a more stable world in which the risk of war is reduced.

Modernization goes hand in hand with deterrence. Both are necessary incentives for successful negotiations.

Many of our critics willfully ignore this interrelationship. Instead, they focus their attention and their criticism on some single point which doesn't address the central issue. Often, it's based on wishful thinking or downright misinformation.

For example, one argument contends that the MX Peacekeeper would pose a first-strike threat to the Soviet Union. In the most fundamental sense, this argument runs counter to the whole history of America. Our country has never started a war, and we've never sought, nor will we ever develop a strategic first-strike capability. Our sole objective is deterrence, the strength and credibility it takes to prevent war. And in any case, there is no way that the MX, even with the remaining Minuteman force, could knock out the entire Soviet ICBM force, so the argument is a false one, both philosophically and technically.

What we really want, and what we would have with the MX in place is enough force that tells the enemy we'd do them a lot of damage. (Applause)

But the example that I have given is typical of the twisted logic of the anti-MX lobby. It reminds me of the tale told of an armed services poker game which took place a few years back on a Western military base. The MP's were tipped off, raided the barracks, and the four poker players just managed to hide the cards and poker chips in time. When the police got there, they were sitting at an empty table, staring innocently at each other. And the MP sergeant asked each one in turn if he'd been gambling, and the soldier bit his lip and replied, "No, Sarge, I haven't been gambling, and the airman answered the same way, and that finally brought them to the marine. And the said, "Have you been gambling?" And the M.P. [*marine*] looked the cop right dead in the eye and asked, "Who with?" (Laughter)

That was quick thinking, but the marines sure avoided a real issue, and the real issue is what counts. The real national defense issue of our time is maintaining deterrence while seeking arms reduction. And today, I'm pleased to be able to report some good news on the negotiating front. Our fundamental negotiating positions in both the START and INF talks have been strengthened by a number of related developments that have occurred this year. Let me share a few of them with you.

First on the list is that strong bipartisan support is beginning to surface for our strategic program. Starting with the perceptive recommendations of the Scowcroft Commission, and strengthened by the bipartisan Congressional support in strategic modernization votes in May and July, America has finally begun to forge a national consensus for peace and security. The MX Peacekeeper program and the development program for a new, small, single-warhead missile will complement the B–1 bomber and Trident submarine programs, the other legs of the Triad. But we aren't over the hump yet. There is still work to be done, and I am counting on your continuing and active support as we approach the next legislative round on appropriations for the MX this autumn.

If we see this mission through, the combined efforts of this administration and the Congress will restore the credibility of America's strategic posture—the essential foundation for deterrence and successful negotiations. We've learned over and

again that only common resolve in the West can bring responsiveness from the East.

And fortunately, Western allied unity today is a firm reality. Our negotiations have been preceded by close consultations with the Congress and with our allies. This process has continued during the negotiations in Geneva, and we've given our negotiators the flexibility to explore all possible avenues with the Soviets.

Peace is a beautiful word, but it is also freely used, and sometimes even abused. As I've said before, peace is an objective, not a policy. Those who fail to understand this do so at their peril. Neville Chamberlain thought of peace as a vague policy in the thirties, and the result brought us closer to World War II. Today's so-called "peace movement"—for all its modern hype and theatrics—makes the same old mistake. They would wage peace by weakening the free. And that just doesn't make sense. (Applause) My heart is with those who march for peace. I'd be at the head of the parade if I thought it would really serve the cause of peace. But the members of the real peace movement, the real peacekeepers and peacemakers, are people who understand that peace must be built on strength. And for that, the American people and free people everywhere owe all of you a deep debt of gratitude. (Applause)

Like you, our allies remain united in a common effort to strengthen both deterrence and the prospects for arms reduction through negotiations. They recognize the dangers to allied unity of Soviet propaganda and thinly-veiled threats—at causing NATO to abandon its dual-track decision to modernize and negotiate. If we lacked the will to provide a credible deterrent, then we could look forward to ever more aggressive Soviet behavior in the future. Because NATO understands this, NATO will persevere.

When you add it all up, despite the problems, there is strong reason for hope. This administration has worked very hard over the course of many months to refine our own negotiating objectives and positions. We've developed a sound, well-thought-out strategy to achieve them. We stand united with the Congress and our allies. Our strategic Triad is being modernized. We're negotiating arms reductions in good faith. And there's been encouraging movement in these negotiations. For the first time, in the START negotiations, the Soviets are willing to actually talk about actual reductions. In Vienna, at the Mutual Balanced Force Reduction Talks, the Soviet negotiators have shown movement on the verification issues needed to permit us to negotiate reductions in the conventional force safely. There has also been progress in discussing confidence-building measures. All these indicators, modest though they may seem, point in the same positive direction—new hope for arms reductions and a more secure world.

Let's not kid ourselves. There are lots of ambiguities and we've still got a long way to go, a long way from agreement. Plenty of tough, hard bargaining remains to be done at the negotiating table. But I can assure you that our highest priority is focused on this, the most challenging and important issue of our lifetimes, and we're making headway—for peace. (Applause)

Another issue of critical importance to all Americans—and one I view as the centerpiece of American foreign policy—concerns our responsibility as peacemaker.

We can't build a safe world with honorable intentions and good will alone. Achieving the fundamental goals our Nation seeks in world affairs—peace, human rights, economic progress, national independence, and international stability—means supporting our friends and defending our interests. Our commitment as peacemaker is focused on these goals. Right now this commitment is most visible in Central America, the Middle East and Africa.

Our policy in Central America is to help the people of that troubled region help themselves, help them to build a better life—to help them toward liberty and to help them reverse centuries of poverty and inequity.

And that's what they want, too. In Costa Rica, democracy and respect for human rights are a long and proud tradition. In Honduras, democratic institutions are taking root. In El Salvador, democracy is beginning to work even in the face of externally supported terrorism and guerrilla warfare.

We know that democracy in Central America will not be built overnight. But step by step, with humanitarian, economic

and private sector assistance from the United States, it can and will be achieved.

And that's why we established the Caribbean Basin Initiative, a program designed to help the people in that region help themselves. The Caribbean Basin Initiative is based on a combination of trade and private investment incentives. We decided to listen and learn from what our neighbors have been saying for a long time—that the best thing we could do [is] to help them build a better, freer life for themselves. We agree and, though you wouldn't know it from some of the coverage, by far the greatest portion of our aid to Central America is humanitarian and economic.

Now there are some—in Moscow and Havana—who don't want to let our Caribbean neighbors solve their problems peacefully. They seek to impose their alien form of totalitarianism with bullets instead of ballots.

And that's why we are supporting a security shield for those nations that are threatened. Unless that shield is there, democracy, reform, economic development, and constructive dialogue and negotiations cannot survive and grow. Other than training our own troops, this is the only purpose behind our military exercises—to demonstrate our commitment to the free aspirations and sovereignty of our neighbors. (Applause)

I've said it before, and I'll say it again: Human rights means working at problems, not walking away from them. Would America be America if, in their hour of need, we abandoned our nearest neighbors? From the tip of Tierra del Fuego to Alaska's Point Barrow, we're all Americans. We worship the same God, cherish the same freedom. Can we stand idly by and allow a totalitarian minority to destroy our common heritage? Our concern is justice. Has communism ever provided that? Our concern is poverty. Has a communist economic system ever brought prosperity? No. If the United States were to let down the people of Central America—people who are struggling for the democratic values that we share—we would have let ourselves down, too. We could never be certain of ourselves, much less of the future, if we turned our back on our nearest neighbors' struggle for peace, freedom and evolving democracy. (Applause)

In the Middle East, the pursuit of peace between Israel and its Arab neighbors remains another fundamental objective of this administration. Yes, it's a thorny problem, and our negotiators have faced serious difficulties over the past 2 1/2 years. But there's been real progress. The Sinai Peninsula was returned to Egypt in April of 1982. This essential step in the establishment of peace between Egypt and Israel wouldn't have been possible without our decision to contribute to the multinational force and observers that are currently operating in the Sinai. In Lebanon, our Marines continue to serve alongside their French, British and Italian comrades as we work for the withdrawal of all foreign forces from that troubled land. Our joint presence strengthens the resolve of the Lebanese Government to assume the tough task of maintaining order.

We Americans covet no foreign territory, and we have no intention of becoming policeman to the world. But as the most powerful country in the West, we have a responsibility to help our friends keep the peace. And we should be proud of our achievements—(applause)—and especially proud of the fine men and women of our armed forces who undertake these tough yet vital tasks.

In Africa, we're engaged in a parallel commitment—economic development, the growth of democracies and the peaceful resolution of conflict. And here, too, our emphasis is on developmental and economic assistance. We maintain only a handful of military advisers on the whole African Continent. Our economic aid is four times larger than what we spend on security assistance. Contrast this with what the Soviet Union is doing. The record shows that since the Soviets began their aid program to Africa in 1954, military aid has outpaced all other Soviet aid by seven-to-one. Then add more than 40,000 Soviet and surrogate military personnel stationed in Africa, and it's no wonder that Africa is rife with conflict and tension.

For our part, we're actively working to defuse the tensions and conflict in Namibia and Angola while we help fight poverty in the region. In Chad, the United States is a partner in a multinational economic assistance package designed to get this tragically poor and strifetorn country on its feet. But without protection from external aggression, there can be no economic progress.

And naked, external aggression is what is taking place in Chad today. Drawing upon the nearly $10 billion worth of Soviet military equipment and munitions now in Libya, Colonel Qadhaffi has been using Soviet-built fighter bombers, T–55 tanks and artillery in a blatant attempt to destroy a legitimate government. President Habre and the people of his country are truly beleaguered as they struggle to preserve their independence. It is in this context that we have joined a number of other contries in providing emergency security assistance to Chad.

Yes, in Africa there is real reason for concern. But there are also harbingers of hope. Less than two weeks ago, I had the pleasure of meeting with President Diouf of Senegal. He's a great man doing a great job. His outstanding leadership has brought Senegal fully into the community of truly democratic states. And a similar democratic success story has just taken place in Nigeria, Africa's most populous nation, where free Presidential elections were successfully completed last week.

That's right, there's a democratic revolution going on in this world. It may not grab the headlines, but it's there, and it's growing. The tide of history is with the forces of freedom—and so are we.

That's the real message—(applause)—and that's the overwhelming news story of our time, even though it seldom makes the front page. The light of the democratic ideal is not slowly fading away. It gains in brightness with every passing day, but it needs our care and cultivation.

You know, Mark Twain once remarked that he spent $25 to research his family tree, and then he had to spend $50 to cover it up. (Laughter) Well, America is more fortunate. We can be proud of our heritage, and we need never hide from our roots. The world we live in is not an easy one, but we have inherited a noble mission, a mission that casts a beacon of hope for all the Earth's people. America, more than anything, wants lasting peace—peace with liberty, with justice, and with the freedom to follow the dictates of God and conscience. To succeed, we will need wisdom, strength, and imagination. We'll need patience and vigor. But to seek anything less would be to deny our heritage and the real meaning of our great Nation.

You know, our National Anthem is probably the only one that asks a question: "does that banner still wave o'er the land of the free and the home of the brave?" When Francis Scott Key wrote that he was asking if our flag was still flying. Well, today, we know the flag still flies. But what we continue to answer is that it does wave o'er a people that are still free and still brave and determined to preserve this land for generations to come. (Applause)

Thank you for all that you and the Legion are doing to help America stay true to this quest, and God bless you all.

Thank you. (Applause)

Document 30

Statement by Vice President Bush, November 21, 1983 [63]

Preserving Peace Through Deterrence

Since taking office, I have traveled to 48 States, 3 United States territories, and 47 foreign countries. Everywhere I have gone, leaders and ordinary citizens alike have voiced one concern above all others: the need to avoid nuclear war. Our Government has set policies in place that, if adhered to, will keep such a war from ever taking place.

For nearly 40 years—years spanning Republican and Democratic Presidencies—the United States has pursued a consistent, twofold program to maintain nuclear peace.

Our first aim has been effective deterrence. We have made certain that our adversaries understand that a nuclear strike against us or our allies would result in retaliation. That sounds chilling, but by keeping our deterrent forces strong enough to be credible, we have avoided the need to use them. In Europe, where our deterrent efforts have been focused, there has been peace since 1945. In the rest of the world, more than 100 wars have taken place.

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[63] Source: Press Release, November 21, 1983, Office of the Press Secretary to the Vice President.

Our second aim has been genuine arms control—a persistent, dedicated effort to reach agreements with other nuclear powers that would control the production and testing of weapons. Such agreements include the Test Ban Treaty signed by John F. Kennedy in 1963, and the Anti-Ballistic Missile Treaty signed by Richard M. Nixon in 1972.

Throughout these almost four decades, this program has placed burdens on our nation. We have had to spend large amounts of money on defense, station thousands of troops far from home, and learn to live with the pressures involved in maintaining our freedoms in the nuclear age. As protesters march and rally in the days and months ahead, we would do well to remember that despite its costs, this program has succeeded in keeping the peace.

The gravest threat to this peace emerged in the 1970s. It was then that the Soviet Union embarked on an arms buildup so vast it lacked any parallel in history—a buildup that continues today. In many categories of conventional and nuclear forces, the Russians have achieved superiority. One such category much in the news is that of intermediate-range nuclear forces in Europe. The Russians began to deploy new and threatening missiles in 1977, and today they have more than 1,000 warheads aimed at targets throughout Western Europe. Our European allies were alarmed by the creation of a Soviet nuclear monopoly in this category of weapons. The deployments we are carrying out today, the first in many years, respond to a request from our NATO allies, to which we agreed in 1979.

The Russians have threatened to walk out of the talks on intermediate-range nuclear forces, in Geneva, and this they may do. We would remain at the table, ready and willing to negotiate seriously; and we are certain that the Russians eventually would return. They know as well as we that nuclear arms reduction talks must succeed for the sake of us all, Russians and Americans alike.

In addition, we are engaged in three other arms negotiations with the Soviet Union. These cover nuclear, chemical and conventional weapons. These are all serious negotiations, to which the United States is committed.

President Reagan has directed the Defense Department to study the feasibility of developing a strategic nuclear defense—one that would destroy hostile strategic nuclear missiles in space. If this defense could be perfected, it could help lift the shadow of nuclear war from everyone.

The President's leadership in each of these initiatives is a reflection of his commitment to arms reductions. Some have voiced doubts about the President's commitment. I, who see him daily, know that it is deep, sincere and abiding. To this end, in 1981 we removed 1,000 nuclear weapons from Europe. We have recently decided to remove 1,400 more tactical weapons from Europe.

I believe President Reagan has the best chance of any recent President to achieve genuine arms reductions.

My own view of war and its horrors first came in the prenuclear era. At the age of 19, as a torpedo bomber pilot, I was shot down in the Pacific and was the only survivor of my plane's crew. That experience, vivid in my memory, has been a constant incentive for me to do all in my power to see that my children and grandchildren can grow up and not have to face the dangers of war—either as combatants or innocent victims.

I am convinced, from all I have seen here and abroad, that our policy of strength, deterrence and serious negotiation holds open the door to lasting peace. There are no "quick fixes" available to us. The price of peace and freedom includes courage and determination and patience. The American people have these qualities in abundance, and I urge you to join us in pursuing the policies of peace and deterrence that have worked so well for so long.

Document 31

Remarks by President Reagan, December 14, 1983 (Extract) [64]

Defense Spending

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Q. Mr. President, I'm Bob Brenner from Olympia, Washington. Do you, currently, have any contingency plan that might include reducing military spending as a way to decrease the deficit?

THE PRESIDENT. On military spending—I ran on the idea that we had been starving our military for so long that there really was a window of vulnerability. I think we've closed, largely, that window of vulnerability. We haven't closed it completely. We haven't caught totally up. But we've made a great difference.

Now, with malice of forethought, I asked Cap Weinberger to take that job. He was my Finance Director, for a time, when I was Governor. And he didn't earn the name "Cap, the Knife" for nothing. (Laughter.)

But what everyone, particularly in the Congress, seems unwilling to admit is that they have been, themselves—over there, under his direction, reducing the budgets as they find ways to save and ways to improve. All these horror stories recently about the high price of spare parts—those are our figures. We're the ones who found those high prices. And we're the ones who are doing something about it. And we've already had a number of indictments. We have had refunds. And we've had dismissals of personnel; we're getting at that. We sent some inspectors out that were mean as junkyard dogs, and they found that this was going on. But, the way I feel that we have to look at defense is this: You look at defense not as how much do we want to spend. What is necessary to assure our national security? What weapon systems? What numbers of personnel and all? And once you've decided on that, then you figure out—and figuring just as sharply as you can with a sharp pencil—what does it cost to provide that kind of national security? And if you've gotten it down to where all the waste is out, and we've taken advantage of our reduction of inflation below what our anticipation was, I can tell that right now the defense budget that is presently being talked about has been cut by the Secretary of Defense $16 billion, before he came in with it.

Now, to go to the Congress with this and then have them say, "Oh no, we only want to spend 'X' number of dollars," then you have to say to the Congress, "All right, then what is it that you want to do without? What weapon system do you want to do away with? Or do you want to cut the pay for the military?" I can tell you that when I started here, everyone said that we would have to reinstitute the draft, that the volunteer military would never work. Would you be interested to know that it not only has worked—I get a lump in my throat when I see those people out there, those young men and young women in uniform. Their esprit de corps, their pride—and would it interest you to know that we have the highest percentage of high school graduates in the military that we have ever had in our history—even back in wartime when we were drafting so many millions. We have the highest percentage above average—the average intelligence level in the military. We have a waiting line of people who want to enlist in the service. We have the highest retention now of non-commissioned officers.

When we came here the first year, if we had gone to a draft, we didn't have enough non-commissioned officers to train the draftees, and that's all changed. And I tell you, when I get a letter from a hundred Marines stationed over in Europe, and those Marines write me, as they did about a year ago in the budget talk, and say, "If giving us a pay cut will help our country, cut our pay." I wouldn't cut their pay if I bled to death. The response from them, all of them, is just so remarkable. Their pride, their—I've made a lot of telephone calls, lately, tragic calls, to families of those who lost their lives. And I hang up the phone in worse shape than they were on the phone. I never heard such pride, I never heard such will-

[64] Source: White House Press Release, December 14, 1983; Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, December 19, 1983, pp. 1698–1699. The President made his remarks at a question-and-answer session with editors of Gannett Newspapers at 1:05 p.m. in the Old Executive Office Building.

ingness to accept that this was necessary. And I've learned the hardest thing that a President will ever have to do, as far as I'm concerned, is issue an order that some of our uniformed personnel have to go into an area where there is a possibility of harm to them. That's the one—that's the only problem that ever causes me to lose sleep.

But, now, I think the military budget, the defense budget—incidentally, when we set out over a five-year period, we had expected to increase over the Carter projections for the next five years, $116 billion. We have already, ourselves, cut $79 billion out of that $116 billion increase, and still we have a military that is further up to readiness—well, you saw the result in Grenada. And I wish you could all have been on the South Lawn when about 400 of those students from Grenada came there at our invitation, and we had 40 of the military back from Grenada from all four branches. And to see them, all the same age, roughly, the medical students and the military, and to see those students. They couldn't keep their hands off those young men in uniform. Everyone wanted to tell them personally that they had saved their lives.

I had some come up to me and tell me that when they were escorted to the helicopters and there had been gunfire all around, that our men in uniform placed themselves in a position that if there was firing on them, they would be hit, not the students. They shielded the students with their bodies. And it was a wonderful thing to see.

I've gotten a great deal of hope and optimism about the future of this country now, having weathered all the riots on the campus when I was a governor, to now see the quality of these young people and their dedication.

I didn't mean to make a speech, but I can't help it. I'm all wound up on that particular subject.

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Chapter 4. Arms Control

Document 32

Statement by President Reagan, January 14, 1983 [1]

Leverage and Determination Are Essential to Success in Arms Control

Ladies and gentlemen, I have a statement here. But before I begin, I just want to explain the subject of this. There has been such disarray approaching chaos in the press corps with regard to the subject of arms control that I thought before you unraveled into complete disorder that maybe we should straighten out the entire subject. So, before taking your questions, I'll express a thought or two which are a matter of deep conviction for me with regard to arms control. These concern what we must do before we can expect to be successful and then what principles ought to guide us in our negotiating strategy.

First, it seems to me that the two factors that are essential to success in arms control are leverage and determination. With respect to leverage, it's clear that when I arrived in office there was virtually no hope that we could expect the Soviets to bargain seriously for real reductions. After all, they had all the marbles. We hadn't designed a new missile in 15 years. We hadn't built a new submarine in the same period although they had built more than 60. Our bombers were older than the pilots who flew them. Today that's no longer the case. Working with the Congress, we have in the past two years succeeded in getting authorization for a complete modernization of the triad of strategic forces with the exception of the MX which still requires congressional action this spring.

My point is that now we're in a position to get somewhere and I'm determined that we shall. The other quality I mentioned was determination. Recently I've made a few management changes so that we'll have a streamlined team in place through which we can reach decisions promptly and get results in the Geneva talks. [2]

I want to say something else about my strategy toward arms control. It seems to me that if you look back over the history of the past 15 years of talks, certain things emerge. Frankly, some things have worked and others have not.

Let me be specific. Some people have argued that we ought to try unilateral disarmament—that we should cut our own systems without getting anything from them in return in the hope that our example will lead the Soviets to cut theirs. That approach has been tried on a number of occasions. For example, President Carter decided to cut the B–1 bomber perhaps in the expectation that the Soviets would cut back on their bomber programs. It didn't work. Instead of cutting back the Soviets went steadily ahead with the Backfire and another advanced bomber.

On the other hand, some things have worked. Most of you recall that in the late sixties President Johnson tried very hard to engage the Soviets in talks on antiballistic missile systems. At the time we had no deployment planned; in short, no leverage. The Soviets refused to talk.

But then the United States decided to go ahead with an ABM plan, and you know the rest. When it became clear that we would go ahead with the deployment

[1] Source: White House Press Release, January 14, 1983; printed also in *Weekly Compilation of Presidential Documents*, January 17, 1983, pp. 49–53. The statement was made at the outset of a question-and-answer session with the press, beginning at 1:35 p.m. in the Briefing Room of the White House.

[2] On January 12, President Reagan announced the resignation of Eugene Rostow as Director of the Arms Control and Disarmament Agency, and nominated Kenneth Adelman as his replacement. See *ibid.*, p. 40.

the Soviets came to the table and we got a treaty that still endures today. [3]

The lesson is that they will bargain when they have an incentive, and today that incentive exists and I am convinced that we can make real progress.

It is with this thought in mind that I had an in-depth meeting yesterday on arms control with some of my arms control advisors. Next week I will be meeting with Ambassadors Ed Rowny and Paul Nitze. We are ready and I am confident that with determination we can succeed. Keeping in mind our commitment to the security of Europe and to peace, and in order to insure the closest possible coordination with our European allies on arms reductions and deterrents, I have asked Vice President Bush to go to Europe for talks with my European counterparts.

And while he is there the Vice President will meet with the Pope, Prime Minister Thatcher, Chancellor Kohl, President Mitterrand, Prime Minister Fanfani, Prime Minister Martens, and Prime Minister Lubbers, as well as with our negotiating teams in Geneva.

And let there be no doubt, we are ready. We will consider every serious proposal and we have the determination to succeed in this, the most important undertaking of our generation.

[3] Reference is to the Anti-Ballistic Missile Systems Treaty, signed by the United States and the Soviet Union on May 26, 1972. For text, see 23 UST 3435.

Document 33

Address by Vice President Bush Before the U.N. Committee on Disarmament, Geneva, Switzerland, February 4, 1983 [4]

Fostering World Peace Through Arms Control and Agreements That Enhance International Security and Stability

No city has done more than Geneva to advance man's oldest, yet seemingly most elusive, dream—to live at peace with his neighbors. This is the city of Rousseau, who taught us that man is born both free and good, a concept that has had the most profound effect upon my country, and many others as well. It was near here that Voltaire made his home when his incisive, but often irreverent, mind brought down upon him the displeasure of his king. After the calamity of the First World War, the League of Nations was established and housed in this very building, in the hope that here in the free city of Geneva this embodiment of man's best intentions might prosper.

Today, the world's hopes for peace are once again focused on this city. Two vital bilateral negotiations [5] are underway here, with a single aim: to make significant reductions in the nuclear arsenals of the United States and the Soviet Union, and thereby to strengthen international stability and to increase the security of all states. And, in this committee, multilateral efforts are in train to deal with other urgent arms control issues: how to eliminate chemical weapons from the world's arsenals; how to effectively verify limitations on nuclear testing; how to approach the question of possible further arms control measures affecting outer space.

[4] Source: Press Release, February 4, 1983, Office of the Press Secretary to the Vice President; also printed in Department of State *Bulletin*, March 1983, pp. 14–18.

[5] Reference is to the third round of the START talks between the United States and the Soviet Union, which began on February 2, 1983, in Geneva. The talks had been in recess since December 1982. The second reference is to the INF talks.

My message to you is simple and unequivocal: the United States will do all that it can to create a foundation for enduring world peace through arms control and through agreements that enhance international security and stability. This task is the President's highest priority, and he has asked me to tell you that we will pursue sound and workable arms control initiatives with the utmost determination. But we will not hesitate to differ with approaches which are not sound, or do not hold out the prospect of effective, verifiable agreements.

What are the prospects for progress here in Geneva? I would like to set forth the views of the United States on the status of our efforts—both bilateral and multilateral—to advance the cause of peace by reaching agreement on effective arms control measures.

President Reagan assumed office at a time of increasing concern among the American people over the behavior of the Soviet Union and its allies. In its foreign policy, as well as in the relentless buildup of its military forces, the Soviet Union has appeared determined to advance its own interests at the expense of everyone else's. This determination was reflected in the invasion of Afghanistan; in the suppression of human rights in Poland; the use of chemical and toxin weapons in Southeast Asia and Afghanistan in violation of customary international law and existing international conventions; and in the steady accumulation of vast amounts of modern weaponry far beyond any reasonable requirements for defense.

Clearly, Soviet behavior required a revitalization of our own defense, which in many measures of military power had been outstripped. The United States has undertaken this effort not with a view toward conquest or intimidation, but rather to maintain our ability to deter aggression, and thus to defend our vital interests and those of our friends and allies against threat or coercion. I know that President Reagan would much prefer to spend our resources on other pursuits. But we will do what is necessary to defend our interests and preserve the peace.

But providing the means of defense is only one aspect of ensuring one's security. The Reagan Administration believes that arms control measures can be a vital part of our national security, and that equitable and effective verifiable arms control agreements can increase that security. One of the first actions taken by President Reagan was to launch the most thorough review of our arms control policy ever undertaken by any new administration. A new approach to arms control was necessary to deal with the changed situation in which the United States found itself as a result of Soviet actions over the previous decade. Arms control had not become less important. Indeed, effective arms control had, if anything, become more important, since the military balance, at all levels, had become more unstable.

President Reagan announced the general principles which guide our arms control efforts in a statement on November 18, 1981. [6] They are worth repeating here:

—First, the United States seeks to *reduce substantially* the number of potentially destructive nuclear weapons, not just to freeze them at high levels, as has been the case in previous agreements.

—Second, we seek agreements that will lead to mutual reductions to *equal levels* in both sides' forces. An unequal agreement, like an unequal balance of forces, can encourage aggression.

—Third, we seek agreements that will enhance the security of the United States and its allies, and that will reduce the risk of war. Arms control is not an end in itself, but a vital means toward ensuring peace and international stability.

—Fourth, we will carefully design the provisions of arms control agreements, and insist on measures to ensure that *all* parties comply.

In other words, we will insist that agreements must be verifiable. Otherwise, the parties cannot have confidence that all are abiding by the provisions of an agreement. This is particularly important in the nuclear area, where we have proposed deep cuts in the U.S. and Soviet arsenals. It is also vital to our efforts in this committee to ban chemical weapons, and to develop effective limitations on nuclear testing.

Based on these objectives, my government has since then advanced a dynamic program of arms control initiatives—in our bilateral negotiations with the Soviet

[6] For text, see *American Foreign Policy: Current Documents, 1981*, pp. 177–182.

Union, in the work of this committee, and—together with our allies—in the negotiations at Vienna on mutual and balanced force reductions in Europe.[7] Let me now deal with those which are of particular interest to the members of this committee.

The problem of achieving reductions in the world's nuclear arsenals is our most important challenge. The United States has met this challenge by developing what President Reagan has called the most comprehensive program of nuclear arms control ever proposed by my country. These proposals are on the negotiating table here in Geneva—in the intermediate range nuclear forces, or INF, negotiations, and in the START talks on reducing strategic nuclear forces.

The point I want to stress here is that the United States' proposals in the START negotiations entail deep and significant cuts in United States and Soviet nuclear arsenals—a 50 percent cut in our strategic ballistic missiles. In the INF negotiations, we have proposed the elimination of an entire class of weapons. They do so in a way which is balanced and which reduces the risk of war. This is, after all, what these negotiations are all about. Stability and security could be greatly enhanced if both sides thus reduced their arsenals, and it is precisely because of this that we have proposed such major reductions.

In the INF negotiations, there is now on the table a far-reaching United States proposal which would at a stroke ban an entire class of U.S. and Soviet longer-range INF missiles, the systems of greatest concern to both sides. The Soviet Union now has over 600 such missiles with some 1200 warheads, while the United States has—none. Under our proposal, the Soviet Union would be required to eliminate all of its ground-launched missiles of this type. These missiles—of the type referred to in the West as SS–4, SS–5 and SS–20—are in place now. The United States would be required to forgo the deployment of its roughly comparable missiles. As you know, they are scheduled to be deployed in Europe beginning this year under the decision taken by the NATO alliance.

[7] Reference is to the MBFR draft treaty tabled by NATO in Vienna on July 8, 1982.

The United States believes that any such agreement on nuclear forces must be effective and balanced; it must genuinely reduce the nuclear threat to both sides; it must enhance stability; and it must lessen the risk of conflict. Our proposal meets these criteria. Indeed, it strikes to the very heart of the problem.

Thus far, the proposals advanced in these negotiations by the Soviet Union have been designed to leave them with significant advantages, in particular a monopoly over the United States and her NATO allies in longer-range INF missiles. Indeed, the ideas recently advanced by General Secretary Andropov[8] continue to have this as their aim. We will, of course, continue to give the most serious consideration to any constructive Soviet proposal. Ours is not a take-it-or-leave-it proposition. However, the Soviet Union must recognize our legitimate security concerns in these talks. Ours is a moral position. What is wrong with eliminating from the face of the earth an entire class of new missiles? The only argument I have heard why we cannot eliminate INF missiles is that the Soviets are against it. Well, that arguement isn't good enough. I say to the Soviet leadership: come up with your own plan to banish these INF missiles. We are ready to consider initiatives that will achieve that goal.

As in the case of the negotiations on intermediate-range missiles, we are emphasizing in the START negotiations real and significant reductions in the levels of strategic armaments on both sides, down to equal ceilings. As President Reagan has pointed out, our proposals in these negotiations would eliminate some 4,700 warheads and 2,250 missiles from the combined nuclear arsenals of the United States and the Soviet Union.

We have been encouraged by the fact that the Soviet Union is negotiating seriously, and has accepted the concept of reduction, although we do not find their proposal sufficient. Their proposal fails to focus on the more destabilizing elements of strategic forces, ballistic missiles, and

[8] Reference may be to a statement by Soviet General Secretary Andropov on February 2, 1983. According to Andropov, the arms control proposals developed by the United States were "unrealistic." He also stated "that the USSR will not agree to unilateral disarmament." For text of his statement, see *Current Digest of the Soviet Press*, March 2, 1983, p. 6.

particularly ICBM's, and it does not go far enough in making the kind of deep reductions in ballistic missile forces that we believe to be necessary. However, we believe that the approaches provide a basis for negotiation, and we intend to explore avenues for achieving such reductions and to pursue the negotiations seriously and constructively.

I will be meeting during my visit here in Geneva with the United States and Soviet delegations to both these critical negotiations. My purpose in doing so is to emphasize the great importance which the United States—and President Reagan personally—attaches to a successful outcome in both of them. I will convey to the negotiators the President's hope that they will press forward with speed and energy, and his wishes that their efforts will meet with success. I know that all of you share this hope.

Let me now turn, Mr. Chairman,[9] to the work directly before this committee, to which we also attach the highest importance.

The committee is confronted with numerous important issues. None has a higher priority for the United States than the efforts to ban forever an entire and different class of weapons from the world's arsenals. As President Reagan has stated, the goal of United States policy is to eliminate the threat of chemical warfare by achieving a complete and verifiable ban on chemical weapons.

The nations of the world have already prohibited the first use of chemical and biological weapons in the Geneva Protocol of 1925,[10] and have outlawed the possession of biological and toxin weapons in the 1972 Biological and Toxin Weapons Convention.[11] Like most other nations at this table, the United States is a party to these treaties, and like most others, we are in full compliance with their provisions. Beyond the provisions of these treaties, there is an even broader moral prohibition against the use of these weapons. President Franklin Roosevelt perhaps expressed it best when he said that their use "has been outlawed by the general opinion of civilized mankind."

All forms of warfare are terrible. But these weapons are particularly to be feared, because of the human suffering they can inflict. This is why the civilized world has condemned their use. Sadly, mankind has, nonetheless, had repeated demonstrations of the cruelty and horror wrought by the use of these weapons. And now, chemical and toxin weapons are being used in Afghanistan and Southeast Asia in violation of international law and international arms control agreements. These violations are made all the worse by the fact that their victims have neither the means to deter the attacks against them, nor to defend or protect themselves against these barbaric weapons.

The United States presented conclusive evidence to the world community of the facts surrounding the use of chemical and toxin weapons. Others have presented evidence as well. We did not come to our conclusions rashly, but only after the most exhaustive study. The implications that flow from the use of these weapons are so serious that many would prefer to disbelieve or simply to ignore them. But we must face the facts.

The world's progress toward more civilized relations among states has been doggedly slow, and beset at every turn by fears, ambitions and rivalries among the nations. We cannot, therefore, allow the progress which we have made to be destroyed. To do so would be to begin a relentless slide back to a new dark age of mindless barbarism. This is what is at stake, and this is what we must prevent.

What must now be done? The United States has already called upon the Soviet Union and its allies to stop immediately their illegal use of these weapons. I repeat that call here today. And, I urge the Soviet Union, and all other members of the committee, to join the United States in negotiating a complete and effective and verifiable ban on the development, production, stockpiling, and transfer of chem-

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[9] At the time of Vice President Bush's address, the Chairman was Ambassador Dugersuren-gun Erdembileg of Mongolia.

[10] For text of the Geneva Protocol, signed on June 17, 1925, and entered into force for the United States on April 10, 1975, see 26 UST 571.

[11] Reference is to the Convention on the Prohibition of the Development, Production, and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction, which was signed on April 10, 1972, and entered into force for the United States on March 26, 1975; for text, see 26 UST 583.

ical weapons, a ban that will ensure that these horrors can never occur again.

A complete, effective, and verifiable ban on chemical weapons is long overdue. My government, therefore, would like to see the work of this committee accelerated, and negotiations undertaken on a treaty to eliminate the threat posed by chemical weapons.

A number of key issues, of course, must be resolved if we are to be successful in negotiating such a treaty. In the coming days, the United States delegation will present to this committee a new document containing our detailed views on the content of a convention we believe could effectively—more specifically, verifiably—eliminate the chemical weapons threat.[12] We undertake this initiative with the aim of further advancing the work of the committee, and to encourage contributions and cooperation from others as well.

The key to an effective convention—one that could eliminate the possibility of chemical warfare forever—is the firm assurance of compliance through effective verification. This principle is fundamental. Effective verification, as the world's recent experience with the use of chemical and toxin weapons shows, is an absolute necessity for any future agreement. This is why the United States seeks a level of verification that will protect us, our allies, and indeed humanity itself. For today, the threat of chemical warfare has increased. And until an effective agreement can be achieved, the United States, just as others, must continue to ensure that it can deter the use of chemical weapons against its citizens and friends. If we are to expect nations ever to forego the ability to deter chemical warfare, those nations must have confidence that others who accept the prohibition cannot circumvent their obligations and later threaten the peace with chemical weapons. They must be certain that they will not be attacked with such weapons by any state which, like they, has foresworn chemical warfare. In short, for us, the verification and compliance provisions of a comprehensive chemical weapons treaty must be truly effective.

We know that most of the members of this committee, like us, are dedicated to accomplishing this important task. To do so will require more than our dedication, however; it will require greater willingness and flexibility on the part of the Soviet Union and its allies to work seriously and constructively on resolving the key outstanding issues—especially those pertaining to verification and compliance. And such issues must be resolved if we are to expect to make genuine progress. For although some may argue that progress could be made by concentrating on the "easier" issues, or even by drafting treaty text on them, this would be a fruitless exercise if the verification issues cannot be resolved. We will not support such a diversion of effort here.

I urge all members of this committee to begin negotiations this session to resolve the key issues that face us in this area, and to join with us in achieving a complete and verifiable ban on chemical weapons.

The committee is also faced with a number of nuclear arms control issues. The elimination of the threat of nuclear war is clearly of paramount importance to all of us, and the United States fully accepts its special responsibilities in this area. We are recognizing this responsibility in the most effective way we know—here in Geneva across the negotiating table from the Soviet Union.

At the same time, this committee has its role to play in the area of nuclear arms control. One of the major issues before it is that of [a] comprehensive ban on nuclear tests. Such a ban remains a long-term goal of United States policy, and we will continue to work toward its achievement. The work already done in the committee by the group of scientific experts on developing a world-wide system for monitoring of nuclear explosions has been valuable. Moreover, at the suggestion of the United States, this committee formed a working group last year to study issues of verification and compliance surrounding a nuclear test ban. Verification is one area, in particular, in which the United States believes greater progress must be made if we are to make progress towards a ban on nuclear tests. Therefore, we would hope that the committee will continue its work in this area this year.

My government believes that the negotiations in this body on a convention to ban radiological weapons offer the prospect of

[12] Reference is to the paper entitled "U.S. Detailed Views on the Contents of a Chemical Weapons Ban," submitted by the United States in Geneva on February 10, 1983, to the Committee on Disarmament.

a modest, but real step forward, a step that could eliminate a potentially very dangerous type of weapon. Mr. Chairman, we should take it as a cardinal rule of this committee that when there is the prospect for real progress toward an agreement, we should pursue it to its conclusion. While there are a number of issues yet to be resolved, we believe that an agreement is within the committee's grasp, and that we should move ahead with all due speed to conclude the negotiations on this treaty.

I should also like to say a word about further arms control measures affecting outer space. The United States has been the leader in the peaceful exploration and use of outer space. We intend to continue this leadership. Some of these activities in outer space are important to our national security and that of our allies. They help to monitor the peace, to warn of the threat of war, to ensure proper command and control of our armed forces worldwide, to preserve our deterrent capability, and to assist in the verification of arms control agreements. The limited nuclear test ban treaty, the 1967 Outer Space Treaty, the Environmental Modification Treaty, and the Antiballistic Missile Treaty, which is one of the Salt I agreements,[13] all have important arms control provisions affecting outer space. Some are now asking whether additional measures might be called for and if so, what kind? The United States does not have the answer to this question, and we are continuing to study this issue. Clearly, the conditions do not exist which would make negotiations appropriate. We are, however, prepared to exchange views with other members of this committee, and believe the committee should address the matter in a more systematic way than it has in the past.

Finally, I would like to use this occasion to pay tribute to one among us here today whose tireless efforts over a lifetime of service were recently recognized when he was awarded the Nobel Peace Prize.[14] Ambassador Garcia Robles' accomplishments are far too numerous for me to mention, but let me just say that I assure you, sir, of the full cooperation of the United States delegation in efforts to finish work on a realistic comprehensive program of disarmament.

Mr. Chairman, there is, in closing, one thought which I would like to leave with this committee, a thought which underlies our approach to arms control, and to the issues before this committee. And that is that the achievement of effective arms control agreements is difficult work. It requires dedication, persistence, tolerance, a respect for the views of others, and above all, a faith that conflict can be prevented, and that solutions can be found. The most dangerous view, particularly in this nuclear age, is that war is inevitable. I reject this view entirely, because such a belief merely increases the inclination to make a self-fulfilling prophecy. Let us rededicate ourselves in this committee, therefore, to the hard and serious work which is required to prevent war.

[13] The treaties referred to are respectively as follows: 14 UST 1313 (Test Ban), 18 UST 2410 (1967 Outer Space Treaty), 31 UST 333 (Environmental Modification Treaty), 23 UST 3455 (Anti-Ballistic Missile Treaty), and 23 UST 3462 (Salt I).

[14] On October 13, 1982, the Nobel Committee of the Norwegian "Storting" awarded the 1982 Nobel Prize for peace to Alva Myrdal (Sweden) and Alfonso Garcia Robles (Mexico) for the central part each had played in the U.N. disarmament negotiations.

Document 34

Statement by the Under Secretary of State for Political Affairs (Eagleburger) Before a Subcommittee of the Senate Foreign Relations Committee, February 24, 1983 [15]

The Arms Control Implications of Yellow Rain

I appreciate the opportunity to appear here today to discuss the arms control implications of the use of chemical and toxin weapons.

Our goal is to see their complete elimination. Our seriousness and dedication was shown most recently during Vice President Bush's trip to Europe. While in

[15] Source: *Yellow Rain: The Arms Control Implications: Hearings Before the Subcommittee on Arms Control, Oceans, International Operations and Environment of the Committee on Foreign Relations, United States Senate, Ninety-eighth Congress, First Session* (Washington 1983), pp. 1–4.

Geneva, he addressed the Committee on Disarmament [CD] [16] and spoke forcefully and persuasively of the need to rid the world of chemical and toxin weapons. He took the additional constructive step of announcing an important U.S. initiative to achieve that goal.

More than a dozen years ago we unilaterally renounced the possession of all biological and toxin weapons. Subsequently, we played a major role in negotiating an international agreement banning these weapons. [17] A large number of countries, including the Soviet Union, joined us in ratifying the treaty.

We expected that the threat of this whole class of weapons would disappear. Yet, that turned out to be a false hope. Toxin weapons are being used right now in Afghanistan and Southeast Asia. Repeated calls to cease the violation of international agreements go unheeded. The Soviet Union, Vietnam, and Laos continue to deny their acts, which we and others have documented.

We cannot, and will not, remain silent about the death and suffering caused by chemical and toxin weapons since the mid-1970's. Yet we know it is not sufficient merely to exhort the world to condemn those who supply and use them. Rather, we must constructively find a way to insure that these weapons are effectively abolished.

Toxins and chemical warfare agents have been developed in the Soviet Union and provided to Laos and Vietnam. The Soviets use these agents themselves in Afghanistan and have participated in their preparation and use in Southeast Asia. Neither the Vietnamese, Laotians, nor Afghans could have developed or produced these weapons. The Soviet Union can, however, and has extensively trained and equipped its forces for this type of warfare.

An incident which occurred in 1979 in Sverdlovsk in the Soviet Union raised questions as well about Soviet compliance with the prohibition on production of biological weapons. A sudden major pulmonary anthrax outbreak occurred near a suspected biological weapons facility. The Soviets' explanation—if one can call it that—continues to be inconsistent with available evidence.

Nearly 8 years ago, the world first heard of the use of lethal chemical weapons in Laos. In 1978, similar reports began coming out of Kampuchea, and in 1979 from Afghanistan. We have now accumulated a large body of evidence on the use of these weapons and the plight of their victims. The judgments are well documented and the facts do not support any other conclusion.

The United States has raised this issue publicly in the United Nations, with Congress, and elsewhere. We have issued a series of reports providing extensive evidence of these attacks and the agents used. The most recent report was submitted to the Congress and the United Nations by Secretary Shultz on November 29 of last year. [18]

Canada, Thailand, and the United Nations have produced documentation. Other nations have also voiced their concern through their votes in the United Nations and individual and collective statements. Private individuals and organizations are also being heard. Some of these individuals are here today.

Mr. Chairman, [19] it is not as if we were dealing in an area in which civilized standards are vague or international law inadequate. To the contrary, there are two principal international agreements which place restrictions on chemical, biological, and toxin warfare. The first is the 1925 Geneva protocol, one of the oldest treaties on weapons still in force, which prohibits the first use of these types of weapons.

The second treaty is the 1972 Biological and Toxin Weapons Convention, which bans the development, production, stockpiling, transfer, and possession of biological and toxin weapons. Both the United States and the Soviet Union are parties to this treaty, as are Afghanistan, Laos, and Vietnam. Not only are both these treaties

[16] Brackets in the source text. For the Vice President's address to the Committee on Disarmament, February 4, 1983, see Department of State *Bulletin*, March 1983, pp. 14–17.

[17] See footnote 11 above.

[18] The report submitted to the Congress by Secretary of State Haig on March 22, 1982, and the November 29, 1982, report submitted by Secretary Shultz are printed in *Yellow Rain: The Arms Control Implications*, pp. 5–49.

[19] Larry Pressler, chairman of the subcommittee.

being violated in Southeast Asia and Afghanistan, but so are universally accepted standards of international law.

Mr. Chairman, the continuing use of chemical and toxin weapons in Southeast Asia and Afghanistan has obvious implications for United States-Soviet relations. It does not mean that we can no longer work with the Soviet Union to build a more stable and secure world, for as the two superpowers we have a special responsibility. It does mean, however, that the policies of our Nation cannot be based on a benign or naive view of the Soviet Union and its intentions. The President has noted the responsibilities we carry and the need for strength and preparedness. With a realistic appraisal of the Soviet goals, and an appreciation that they are not constrained by many of the values we support, we can proceed, with caution and prudence, to help build a world eventually free from chemical, biological, and toxin weapons.

We have all heard the charges that the continuing Soviet defiance of international norms through the use of chemical and toxin weapons proves that arms control cannot work. Further, we are asked: If the Soviets would so blatantly violate two important international treaties, what will keep them from violating other arms control agreements as well?

Mr. Chairman, I believe that Soviet actions lead to a different conclusion—real, equitable, and fully verifiable arms control is an absolute necessity. It is not that arms control is pointless; it is that we have to do a better job of it.

Effective arms control is necessary if we are to reduce the number of destructive weapons in the world and reduce the risk of war. As the President has said, arms control is not an end in itself, but a vital means toward insuring peace and international stability.

Yet if arms control is to work, agreements of this kind must be fully and effectively verified. The Soviet Union will not feel compelled to live by its international agreements if it knows that digression from these agreements will go undetected and unchallenged, and it is not obliged to pay a political cost. To sign agreements which lack tough verification standards would be not only misleading, but also a disservice to all who want real arms control. To refuse to sign equitable agreements with strong verification procedures which are in our own interests would be equally misguided.

The Geneva protocol and the 1972 Biological and Toxin Weapons Convention do not contain verification provisions or adequate measures to address questions of compliance. We are seeking, with others, to remedy these shortcomings and to establish Soviet compliance with both agreements.

In December, the U.N. General Assembly recommended by an overwhelming vote to call on the states that are parties to the Biological and Toxin Weapons Convention to hold a special conference as soon as possible to establish effective procedures for compliance with its provisions. In December, the U.N. General Assembly also requested the Secretary-General to establish procedures to investigate promptly possible violations of the 1925 Geneva protocol.[20] We believe that it is important that both resolutions be implemented promptly and we will continue to participate in follow-on actions.

The United States strongly supported the adoption of both resolutions. The Soviet Union and a number of her allies did not. Soviet cooperation is necessary if we are to achieve the goals embodied in the resolutions which are directed at making these two treaties effective. Opportunities are available to the Soviet Union for such cooperation.

We have taken steps to achieve a comprehensive ban on chemical weapons. On February 10 we tabled, in the 40-nation Committee on Disarmament in Geneva, our detailed views on the content of a complete and verifiable chemical weapons convention. In presenting this initiative we reiterated our commitment to the objective of a chemical weapons ban and stressed its urgency.[21]

We propose that any activity to create or maintain a chemical weapons capability

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[20] The first reference is to U.N. General Assembly Resolution 37/98 C, adopted December 13, 1982, by a vote of 124 for, 15 against, with one abstention. The second reference is to U.N. General Assembly Resolution 37/98 D, adopted December 13, 1982, by a vote of 86 for, 19 against, with 33 abstentions.

[21] For text of the initiative tabled in Geneva, see *Yellow Rain: The Arms Control Implications*, pp. 50-60.

should be forbidden. Existing chemical weapons stocks and production and filling facilities should be promptly declared and destroyed over a specified time period.

Our proposal emphasizes the importance of mandatory onsite inspection. An independent, impartial verification system observed by, and responsive to, all parties is essential if we are to be confident that the provisions of the convention are faithfully observed. National technical means alone are insufficient, as they are available only to a few and have only a limited verification usefulness. Systems of "national verification," or self-inspection, are not the answer.

We have proposed that the following be subject to mandatory onsite inspection: declared chemical weapons stocks and the process of their elimination; declared chemical weapons production and filling facilities, and the process of their elimination; declared facilities for permitted production of chemicals which pose particular risks. We have also proposed that the parties be obliged to permit inspections on a challenge basis when questions of compliance arise.

The verification approach we have proposed is tough, but fair and practical. Although no one can guarantee absolute verification, we believe that our security and that of all other countries would be safeguarded. We are insisting on a level of verification which meets that objective and we are prepared to explore seriously any alternative suggestions by other nations to achieve effective verification.

Our views are not fixed but subject to further refinement. The possibility of resuming bilateral negotiations with the Soviet Union remains open. Such negotiations occurred earlier, but lapsed in deadlock in mid-1980, principally over the issue of verification.

We have repeatedly stated that for bilateral negotiations to be fruitful, the Soviet Union would need to demonstrate, rather than simply profess, that it is ready to accept effective provisions to verify compliance with a chemical weapons prohibition. We must also be assured that the Soviet Union is willing to abide by existing agreements.

The focus of negotiations should be on the difficult issues which are impeding progress, especially verification and compliance. Such issues must be resolved if genuine achievements are to take place. Concentrating on the less contentious issues, or even drafting treaty texts, would be a fruitless exercise if an effective verification framework cannot be built.

Mr. Chairman, we hope that our arms control initiatives regarding these weapons will succeed. We do not, however, have any illusions. Agreement will require a major revision of Soviet military strategy, which accepts use of these weapons. We must also overcome longstanding Soviet aversion to effective onsite monitoring. Therefore, conclusion of an acceptable agreement cannot be guaranteed.

This administration remains dedicated to the goal of completely eliminating all chemical, biological, and toxin weapons. Success in this enterprise would enhance not only our security, but that of the whole world.

Thank you, Mr. Chairman.

Document 35

Prepared Statement by the Assistant Secretary of State for European Affairs (Burt) Before a Subcommittee of the House Armed Services Committee, March 9, 1983 [22]

Implications of a Nuclear Freeze

I particularly welcome the opportunity to testify before this Committee on the subject of a possible freeze on the U.S. nuclear arsenal.

I welcome it for several reasons:

—because this is an issue of such fundamental importance to the security of the United States;

—because of its impact on our allies;

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[22] Source: Department of State files; also printed in *Current Policy* No. 470, March 9, 1983, Bureau of Public Affairs, Department of State. Burt testified before the Subcommittee on Procurement and Military Nuclear Systems. The hearings will not be published until the 98th Congress has adjourned. All ellipses are in the source text.

—and, ultimately, because of its importance to the maintenance of peace.

The prevention of nuclear war is the highest priority of this administration. It must be the highest priority of any administration in the nuclear age. All of us know what nuclear war would mean for our country and the world. As the President himself has repeatedly said, in such a war, there can be no winners.

No one has a monopoly on the desire to avoid a nuclear catastrophe.

—We recognize that nuclear freeze proposals [23] issue from a profound concern about the danger of nuclear war; we fully share that concern.

—We also know that these proposals are supported by many who are deeply committed to rapid and significant progress in arms control. We, too, share that commitment.

The debate here is not over ends; it is about means. It is not a debate between those with good and those with malevolent intentions. The issue is how to translate the good intentions of those who desire effective arms control into actions which will achieve that end.

I believe the proposals for a freeze on the U.S. nuclear arsenal—however well intentioned they are and however attractive they may seem—would not achieve their stated purpose. On the contrary, I am convinced that they would diminish our national security and ultimately increase, not reduce, the danger of war.

—A freeze would encourage, rather than discourage, threatening Soviet behavior.

—It would hinder, rather than help, our efforts to achieve effective arms control.

—And it would weaken, rather than strengthen, the Atlantic Alliance which is the cornerstone of our own security.

Implications for Our Relations With the Soviet Union

The effective management of our relations with the Soviet Union is essential to the preservation of peace and stability in the world. Toward that end, our policy toward the Soviet Union must be based on consistency, resolve and national and allied unity. We cannot successfully manage this vital relationship—we cannot moderate Soviet international conduct — on the basis of gestures which would only be interpreted as signs of weakness and division.

Unilateral U.S. restraint during the 1970's, which was tantamount to a freeze on our part, did not produce Soviet restraint. On the contrary, the Soviet Union implemented expansionist policies in far regions of the world and carried out the most intensive conventional and nuclear military buildup in peacetime history.

The changes in the military balance—or as the Soviets would say, the correlation of forces—which resulted from our respective policies during the 1970's mean that even a mutual freeze under present circumstances would only legitimize existing Soviet nuclear advantage, with uncertain and potentially dangerous political and military consequences.

The Soviet Union has itself frequently advanced proposals for freezing forces, so as to conserve the military advantages it has acquired and avoid having to undertake significant reductions in arms control negotiations.

A freeze would undermine the relative capability of our nuclear deterrent vis-à-vis the Soviet Union and, as a result, the credibility of our strategy of deterrence, which has successfully preserved the peace for over three decades. Moreover, as you know, it would not be verifiable.

The Soviet leadership's assessment of our resolve is every bit as important to the effectiveness of deterrence as is the Soviet calculation of our military capability. But even a nonbinding freeze resolution would raise the most fundamental questions about our will to deter aggression and, if necessary, repel it with force.

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[23] The Senate nuclear freeze proposal was introduced on January 26, 1983, as Senate Joint Resolution 2 by Senators Kennedy and Hatfield. The principal House nuclear freeze proposal was introduced as House Joint Resolution 13 on January 3, 1983, by Congressman Zablocki.

Implications for Arms Control

Many proponents of a freeze maintain that it could be an effective first step toward arms control.

In fact, I fear that it would have just the opposite effect.

As you know, we are engaged in a variety of arms control endeavors.

—In START, we are seeking deep cuts in the strategic nuclear weapons whose existence inspires such justified concern, and we are focusing our efforts on the most destabilizing systems, namely land-based ICBM's.

—In INF, we have proposed the elimination of an entire class of U.S. and Soviet nuclear weapons—an unprecedented offer in the history of nuclear arms control. The President has at the same time made clear that this is not a take-it-or-leave-it offer. Ambassador Nitze has been authorized to explore any possible solutions which would take four fundamental principles into account:

—Any agreement must provide for equal levels between the United States and the Soviet Union;

—As a corollary, no agreement should include the independent national deterrents of France and Great Britain;

—An agreement should not have the effect of transferring the threat from Europe to Asia;

—And any agreement must provide for effective verification.

These are not only eminently fair and reasonable conditions. They are absolutely vital to serious and effective arms control. It remains for the Soviet Union to decide whether it will negotiate on the basis of them.

We are also seeking significant reductions of military manpower in Europe in the MBFR negotiations, as well as a total verifiable ban of chemical weapons, which we are pursuing in the Committee on Disarmament in Geneva.

In all of these negotiations we are pursuing the same goal: arms control agreements which will enhance peace and stability not by just placing a ceiling on the arms race, but by actually producing verifiable, militarily significant reductions in armaments.

The principal obstacle to progress in all these arms control endeavors so far has been Soviet reluctance to agree to significant reductions and/or to a verification regime which would guarantee compliance.

Whether the Soviet Union will change its position in this regard is difficult to predict. But it is certain that it will *not* if it has no incentive to do so. A freeze would in effect reward the Soviet Union for its arms buildup.

The Soviets have agreed to real arms control only when it has been in their interest to do so. You will recall the major debate over the ABM system. Only when the Congress—by one vote—authorized the government to proceed with the ABM did the Soviet Union have the incentive to enter into negotiations on and eventually agree to the ABM Treaty.

Prior to NATO's 1979 dual-track INF decision [24] the Soviet Union was unwilling to consider control on the SS-20 missiles. It was only after that decision was taken, and after the Soviets were finally convinced, on the basis of U.S. and allied preparations, that we were fully committed to implementing the 1979 decision did they agree to negotiations.

We must ask ourselves whether the Soviet Union would be in Geneva today negotiating over these systems if we had not moved ahead with preparations for counter-deployments of U.S. longer-range INF missiles. Similarly, the prospect of U.S. strategic modernization continues to be a vital element in ensuring serious START negotiations.

With your permission I would like briefly to read to you the views of Ambassadors Nitze and Rowny on the freeze question:

—Ambassador Nitze reports that, " . . . The passage (of a freeze resolution) would seriously undermine our ability to negotiate an equitable agreement. . . . Continuation of NATO preparations for deployment of U.S. longer-range INF missiles in Europe and the

[24] For text of the 1979 NATO decision, see *American Foreign Policy: Basic Documents, 1977-1980*, pp. 494-496.

prospect of that deployment are the strongest incentives the Soviets have to negotiate seriously. . . . Were the development and deployment of U.S. longer-range INF missiles to be deferred, we would have virtually no bargaining leverage with the Soviets. They would have every reason to draw out the negotiations indefinitely without result," Ambassador Nitze concludes.

Ambassador Rowny, for his part, advises that "negotiations on reducing strategic arms would be made immensely more difficult, if not impossible, by passage of a freeze resolution. . . . The Soviets would have no incentive to negotiate. . . ."

We should not delude ourselves. A mutual freeze would be every bit as difficult to negotiate as arms reductions themselves—indeed, such a complete ban on production, development and deployment of new systems could prove even more complicated than our current complex and difficult arms talks.

Moreover, a freeze would be a step backwards. In START, both sides have accepted the concept of reductions; in INF the Soviets have moved away from rigid insistence on the maintenance of current SS-20 force levels. Why should we throw away the opportunity to achieve real reductions in the talks which are now under way in exchange for the uncertain and potentially dangerous alternative of a freeze?

Implications for Relations With Our Allies

The U.S. strategic deterrent is fundamental to the effectiveness—even the survival—of NATO.

—Militarily, our nuclear forces are the capstone of NATO's deterrent and the linchpin of our strategy of flexible response. They are the ultimate link between European security and our own, as the only forces which ultimately can deter the Soviets from using, or threatening to use, their own nuclear potential or massive conventional forces.

—Politically and psychologically, our strategic deterrent and the presence of U.S. troops in Europe symbolize our commitment to the defense of Europe and our conviction that the security of Western Europe and our own security are indeed indivisible.

A freeze would undermine our capacity to defend Europe, and it would inspire doubts among European leaders and publics about our resolve to do so. As such, it would have the most deleterious effect on the underpinnings of the alliance.

It is significant that no major allied government, all of which support arms control in principle but are deeply concerned about Soviet nuclear modernization and the current nuclear balance, has spoken out in favor of a freeze. Indeed, they have all repeatedly rejected Europe-wide freeze proposals offered by the Soviet Union. By destroying the deployment track of the NATO two-track decision, a freeze would cut the ground out from under these European leaders who have steadfastly held to implementation of that decision.

In short, a freeze resolution would call into question the will and ability of the United States to exercise its leadership in a manner which protects the interests of all.

Conclusion

To sum up, I believe that the consequences of a freeze resolution would be the opposite of those its proponents hope to achieve.

—It would encourage irresponsible, rather than restrained, Soviet conduct.

—It would threaten stability by preventing reestablishment of the strategic balance, rather than strengthening that balance.

—It would cripple, rather than advance, our arms control initiatives.

—It would weaken, not strengthen, the Atlantic alliance upon which our own security so heavily depends.

—It would heighten the risk of war, rather than strengthen the peace.

I ask you to bear these concerns in mind in the course of your deliberations. We share with you the same objectives of preventing war and securing the peace, and the same commitment to effective arms control as an essential means to that end. We believe that the President's program—the most comprehensive arms control program ever set out by any American administration—is the best way of fully achieving this objective.

Document 36

Address by President Reagan Before the World Affairs Council, Los Angeles, March 31, 1983 [25]

"We've Launched the Most Comprehensive Program of Arms Control Initiatives Ever Taken"

Last week, I spoke to the American people about our plans for safeguarding this nation's security and that of our allies.[26] And I announced a long-term effort in scientific research to counter some day the menace of offensive nuclear missiles. What I have proposed is that nations should turn their best energies to moving away from the nuclear nightmare. We must not resign ourselves to a future in which security on both sides depends on threatening the lives of millions of innocent men, women, and children.

And today, I would like to discuss another vital aspect of our national security: our efforts to limit and reduce the danger of modern weaponry.

We live in a world in which total war would mean catastrophe. We also live in a world that's torn by a great moral struggle between democracy and its enemies, between the spirit of freedom and those who fear freedom.

In the last 15 years or more, the Soviet Union has engaged in a relentless military buildup, overtaking and surpassing the United States in major categories of military power, acquiring what can only be considered an offensive military capability. All the moral values, which this country cherishes, freedom, democracy, the right of peoples and nations to determine their own destiny, to speak and write, to live and worship as they choose, all these basic rights are fundamentally challenged by a powerful adversary which does not wish these values to survive.

This is our dilemma, and it's a profound one. We must both defend freedom and preserve the peace. We must stand true to our principles and our friends while preventing a holocaust.

The Western commitment to peace through strength has given Europe its longest period of peace in a century. We cannot conduct ourselves as if the special danger of nuclear weapons did not exist. But we must not allow ourselves to be paralyzed by the problem, to abdicate our moral duty. This is the challenge that history has left us.

We of the 20th century who so pride ourselves on mastering even the forces of nature—except last week when the Queen was here [27]—(Laughter)—we are forced to wrestle with one of the most complex moral challenges ever faced by any generation. Now, my views about the Soviet Union are well known. Although, sometimes I don't recognize them when they're played back to me. (Laughter) And our program for maintaining, strengthening, and modernizing our national defense has been clearly stated.

Today, let me tell you something of what we are doing to reduce the danger of nuclear war. Since the end of World War II, the United States has been the leader in the international effort to negotiate nuclear arms limitations. In 1946, when the United States was the only country in the world possessing these awesome weapons, we did not blackmail others with threats to use them, nor did we use our enormous power to conquer territory, to advance our position, or to seek domination.

Doesn't our record alone refute the charge that we seek superiority, that we represent a threat to peace. We proposed the Baruch Plan for international control of all nuclear weapons and nuclear energy, for everything nuclear to be turned over to an international agency. And this was rejected by the Soviet Union. Several years later, in 1955, President Eisenhower presented his "open skies" proposal that the United States and the Soviet Union would exchange blueprints of military establishments and permit aerial re-

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[25] Source: White House Press Release, March 31, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, April 4, 1983, pp. 484–489. The source text is the text as delivered. The President's brief introductory remarks are omitted here.

[26] See document 13.

[27] Reference is to a visit to California by Queen Elizabeth during which she was entertained by President and Mrs. Reagan on March 1 and 3. The visit was marred by severe rain and storms.

connaissance to ensure against the danger of surprise attack. This, too, was rejected by the Soviet Union.

Now, since then, some progress has been made, largely at American initiative. The 1963 Limited Test Ban Treaty prohibited nuclear testing in the atmosphere, in outer space, or under water. The creation of the "hot line" in 1963, upgraded in 1971, provides direct communication between Washington and Moscow to avoid miscalculation during a crisis. The Nuclear Non-Proliferation Treaty of 1968 sought to prevent the spread of nuclear weapons. In 1971, we reached an agreement on special communication procedures to safeguard against accidental or unauthorized use of nuclear weapons, and on a seabed arms control treaty, which prohibits the placing of nuclear weapons on the seabed of the ocean floor. The Strategic Arms Limitation Agreements of 1972 imposed limits on anti-ballistic missile systems and on numbers of strategic, offensive missiles. And the 1972 Biological Warfare Convention bans—or was supposed to ban—the development and production and stockpiling of biological and toxin weapons. [28]

But while many agreements have been reached, we've also suffered many disappointments. The American people had hoped, by these measures to reduce tensions and start to build a constructive relationship with the Soviet Union.

Instead, we have seen Soviet military arsenals continue to grow in virtually every significant category. We have seen the Soviet Union project its power around the globe. We have seen Soviet resistance to significant reductions and measures of effective verification, especially the latter. And, I'm sorry to say, there have been increasingly serious grounds for questioning their compliance with the arms control agreements that have already been signed and that we've both pledged to uphold. I may have more to say on this in the near future.

Coming into office, I made two promises to the American people about peace and security: I promised to restore our neglected defenses, in order to strengthen and preserve the peace, and I promised to pursue reliable agreements to reduce nuclear weapons. Both these promises are being kept.

Today, not only the peace but also the chances for real arms control depend on restoring the military balance. We know that the ideology of the Soviet leaders does not permit them to leave any Western weakness unprobed, any vacuum of power unfilled. It would seem that to them negotiation is only another form of struggle. Yet, I believe the Soviets can be persuaded to reduce their arsenals—but only if they see it's absolutely necessary. Only if they recognize the West's determination to modernize its own military forces will they see an incentive to negotiate a verifiable agreement establishing equal, lower levels. And, very simply, that is one of the main reasons why we must rebuild our defensive strength.

All of our strategic force modernization has been approved by the Congress except for the land-based leg of the Triad. We expect to get congressional approval on this final program later this spring. A strategic forces modernization program depends on a national bipartisan consensus. Over the last decade, four successive administrations have made proposals for arms control and modernization that have become embroiled in political controversy. No one gained from this divisiveness; all of us are going to have to take a fresh look at our previous positions. I pledge to you my participation in such a fresh look and my determination to assist in forging a renewed bipartisan consensus.

My other national security priority on assuming office was to thoroughly re-examine the entire arms control agenda. Since then, in coordination with our allies, we've launched the most comprehensive program of arms control initiatives ever undertaken. Never before in history has a nation engaged in so many major simultaneous efforts to limit and reduce the instruments of war. Last month in Geneva, the Vice President committed the United States to negotiate a total and verifiable ban on chemical weapons. Such inhumane weapons, as well as toxin weapons, are being used in violation of international law in Afghanistan, in Laos, and Kampuchea.

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[28] The treaties referred to in this paragraph are cited as follows: 14 UST 1313 (Test Ban); 14 UST 825 and 22 UST 1598 (Hot Line); 21 UST 483 (Non-Proliferation); 22 UST 1590 (Accidents); 23 UST 701 (Seabed); 23 UST 3435 and 23 UST 3462 (SALT I); and 26 UST 583 (Biological Weapons).

Together with our allies, we've offered a comprehensive new proposal for mutual and balanced reduction of conventional forces in Europe. [29]

We have recently proposed to the Soviet Union a series of further measures to reduce the risk of war from accident or miscalculation. [30] And we are considering significant new measures resulting in part from consultations with several distinguished Senators.

We've joined our allies in proposing a conference on disarmament in Europe. On the basis of a balanced outcome of the Madrid meeting, [31] such a conference will discuss new ways to enhance European stability and security.

We have proposed to the Soviet Union improving the verification provisions of two agreements to limit underground nuclear testing, but, so far, the response has been negative. We will continue to try.

And, most importantly, we have made far-reaching proposals, which I will discuss further in a moment, for deep reductions in strategic weapons and for elimination of an entire class of intermediate-range weapons.

I am determined to achieve real arms control—reliable agreements that will stand the test of time, not cosmetic agreements that raise expectations only to have hopes cruelly dashed.

In all these negotations certain basic principles guide our policy: First, our efforts to control arms should seek reductions on both sides—significant reductions. Second, we insist that arms control agreements be equal and balanced. Third, arms control agreements must be effectively verifiable. We cannot gamble with the safety of our people and the people of the world. Fourth, we recognize that arms control is not an end in itself but a vital part of a broad policy designed to strengthen peace and stability. It's with these firm principles in mind that this administration has approached negotiations on the most powerful weapons in the American and Soviet arsenals—strategic nuclear weapons.

In June of 1982, American and Soviet negotiators convened in Geneva to begin the strategic arms reduction talks, what we call START. We've sought to work out an agreement reducing the levels of strategic weapons on both sides. I proposed reducing the number of ballistic missiles by one-half and the number of warheads by one-third. No more than half the remaining warheads could be on land-based missiles. This would leave both sides with greater security at equal and lower levels of forces.

Not only would this reduce numbers—it would also put specific limits on precisely those types of nuclear weapons that pose the most danger.

The Soviets have made a counter proposal. We've raised a number of serious concerns about it. But—and this is important—they have accepted the concept of reductions. Now, I expect this is because of the firm resolve that we have demonstrated. In the current round of negotiations, we have presented them with the basic elements of a treaty for comprehensive reductions in strategic arsenals. The United States also has, in START, recently proposed a draft agreement on a number of significant measures to build confidence and reduce the risks of conflict. This negotiation is proceeding under the able leadership of Ambassador Edward Rowny on our side—Edward Rowny, I should say, on our side.

We're also negotiating in Geneva to eliminate an entire class of new weapons from the face of the Earth. Since the end of the mid-1970's, the Soviet Union has been deploying an intermediate range nuclear missile, the SS-20, at a rate of one a week. There are now 351 of these missiles, each with three highly accurate warheads capable of destroying cities and military bases in Western Europe, Asia, and the Middle East.

NATO has no comparable weapon; nor did NATO in any way provoke this new, unprecedented escalation. In fact, while the Soviets were deploying their SS-20's,

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[29] Reference is to the draft Mutual and Balanced Force Reduction Treaty tabled by NATO in Vienna on July 8, 1982.

[30] Reference is to confidence-building measures suggested by President Reagan in a letter to the Soviet leadership, which the President referred to in his speech, November 22, 1982; for text of the speech, see *American Foreign Policy: Current Documents, 1982*, p. 184.

[31] Reference is to the Madrid Review Meeting of the Conference on Security and Cooperation in Europe, at which the Conference on Disarmament to be held in Stockholm in January 1984 was planned.

we were taking a thousand nuclear warheads from shorter range weapons out of Europe.

This major shift in the European military balance, prompted our West European allies themselves to propose that NATO find a means of righting the balance. And in December of 1979, they announced a collective two-track decision.

First, to deploy in Western Europe 572 land-based cruise missiles and Pershing II ballistic missiles, capable of reaching the Soviet Union. The purpose, to offset and deter the Soviet SS-20's. The first of these NATO weapons are scheduled for deployment by the end of this year.

Second, to seek negotiations with the Soviet Union for the mutual reduction of these intermediate-range missiles.

In November of 1981, the United States, in concert with our allies, made a sweeping new proposal: NATO would cancel its own deployment if the Soviets eliminated theirs. The Soviet Union refused and set out to intensify public pressures in the West to block the NATO deployment, which has not even started. Meanwhile, the Soviet weapons continue to grow in number.

Our proposal was not made on a take-it-or-leave-it basis. We are willing to consider any Soviet proposal that meets these standards of fairness:

An agreement must establish equal numbers for both Soviet and American intermediate-range nuclear forces.

Other countries' nuclear forces, such as the British and French, are independent and are not part of the bilateral U.S.-Soviet negotiations. They are, in fact, strategic weapons and the Soviet strategic arsenal more than compensates for them.

Next, an agreement must not shift the threat from Europe to Asia. Given the range in mobility of the SS-20's, meaningful limits on these and comparable American systems must be global.

An agreement must be effectively verifiable.

And an agreement must not undermine NATO's ability to defend itself with conventional forces.

We've been consulting closely with our Atlantic allies and they strongly endorse these principles.

Earlier this week, I authorized our negotiator in Geneva, Ambassador Paul Nitze, to inform the Soviet delegation of a new American proposal which has the full support of our allies.

We are prepared to negotiate an interim agreement to reduce our planned deployment if the Soviet Union will reduce their corresponding warheads to an equal level. This would include all U.S. and Soviet weapons of this class, wherever they're located. Our offer of zero on both sides will, of course, remain on the table as our ultimate goal. At the same time, we remain open—as we have been from the very outset—to serious counterproposals. The Soviet negotiators have now returned to Moscow where we hope our new proposal will receive careful consideration during the recess. Ambassador Nitze has proposed and the Soviets have agreed that negotiations resume in mid-May, several weeks earlier than scheduled.

I am sorry that the Soviet Union, so far, has not been willing to accept the complete elimination of these systems on both sides. The question I now put to the Soviet Government is: If not elimination, to what equal level are you willing to reduce? The new proposal is designed to promote early and genuine progress at Geneva. For arms control to be truly complete and world security strengthened, however, we must also increase our efforts to halt the spread of nuclear arms. Every country that values a peaceful world order must play its part.

Our Allies, as important nuclear exporters, also have a very important responsibility to prevent the spread of nuclear arms. To advance this goal, we should all adopt comprehensive safeguards as a condition for nuclear supply commitments that we make in the future. In the days ahead, I will be talking to other world leaders about the need for urgent movement on this and other measures against nuclear proliferation.

Now, that is the arms control agenda we have been pursuing. Our proposals are fair. They are far-reaching and comprehensive. But we still have a long way to go. We Americans are sometimes an impatient people. I guess it is a symptom of our traditional optimism, energy, and

spirit. Often, this is a source of strength. In a negotiation, however, impatience can be a real handicap. Any of you who have been involved in labor-management negotiations or any kind of bargaining know that patience strengthens your bargaining position. If one side seems too eager or desperate, the other side has no reason to offer a compromise and every reason to hold back, expecting that the more eager side will cave in first.

Well, this is a basic fact of life we cannot afford to lose sight of when dealing with the Soviet Union. Generosity in negotiation has never been a trademark of theirs. It runs counter to the basic militancy of Marxist-Leninist ideology. So it is vital that we show patience, determination, and above all, national unity. If we appear to be divided, if the Soviets suspect that domestic, political pressure will undercut our position, they will dig in their heels. And that can only delay an agreement, and may destroy all hope for an agreement.

That is why I have been concerned about the nuclear freeze proposals, one of which is being considered at this time by the House of Representatives.[32] Most of those who support the freeze, I am sure, are well-intentioned, concerned about the arms race and the danger of nuclear war. No one shares their concern more than I do. But however well-intentioned they are, these freeze proposals would do more harm than good. They may seem to offer a simple solution. But there are no simple solutions to complex problems. As H. L. Mencken once wryly remarked, he said, "For every problem, there's one solution which is simple, neat, and wrong." (Laughter)

The freeze concept is dangerous for many reasons. It would preserve today's high, unequal, and unstable levels of nuclear forces, and, by so doing, reduce Soviet incentives to negotiate for real reductions.

It would pull the rug out from under our negotiators in Geneva, as they have testified. After all, why should the Soviets negotiate if they've already achieved a freeze in a position of advantage to them?

Also, some think a freeze would be easy to agree on, but it raises enormously complicated problems of what is to be frozen, how it is to be achieved and, most of all, verified. Attempting to negotiate these critical details would only divert us from the goal of negotiating reductions for who knows how long.

The freeze proposal would also make a lot more sense if a similar movement against nuclear weapons were putting similar pressures on Soviet leaders in Moscow. As former Secretary of Defense Harold Brown has pointed out—the effect of the freeze "is to put pressure on the United States, but not on the Soviet Union."

Finally, the freeze would reward the Soviets for their 15-year buildup while locking us into our existing equipment, which in many cases is obsolete and badly in need of modernization. Three-quarters of Soviet strategic warheads are on delivery systems 5 years old or less. Three-quarters of the American strategic warheads are on delivery systems 15 years old or older. The time comes when everything wears out. The trouble is, it comes a lot sooner for us than for them. And, under a freeze, we couldn't do anything about it.

Our B–52 bombers are older than many of the pilots who fly them. If they were automobiles, they'd qualify as antiques. A freeze could lock us into obsolescence. It's asking too much to expect our service men and women to risk their lives in obsolete equipment. The 2 million patriotic Americans in the armed services deserve the best and most modern equipment to protect them and us.

I'm sure that every President has dreamt of leaving the world a safer place than he found it. I pledge to you, my goal—and I consider it a sacred trust—will be to make progress toward arms reductions in every one of the several negotiations now underway.

I call on all Americans of both parties and all branches of government to join in this effort. We must not let our disagreements or partisan politics keep us from strengthening the peace and reducing armaments.

I pledge to our allies and friends in Europe and Asia—we will continue to consult with you closely. We're conscious of our responsibility when we negotiate with

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[32] Reference is to House Joint Resolution 13 calling for a mutual and verifiable freeze on and reduction in nuclear weapons.

our adversaries on conditions of—or issues of concern to you and your safety and well-being.

To the leaders and people of the Soviet Union, I say, join us in the path to a more peaceful, secure world. Let us—(Applause)—Let us vie in the realm of ideas, on the field of peaceful competition. Let history record that we tested our theories through human experience, not that we destroyed ourselves in the name of vindicating our way of life. And let us practice restraint in our international conduct, so that the present climate of mistrust can some day give way to mutual confidence and a secure peace.

What better time to rededicate ourselves to this undertaking than in the Easter season, when millions of the world's people pay homage to the One who taught us peace on earth, good will toward men?

This is the goal, my fellow Americans, of all the democratic nations—a goal that requires firmness, patience and understanding. If the Soviet Union responds in the same spirit, we're ready. And we can pass on to our posterity the gift of peace—that and freedom are the greatest gifts that one generation can bequeath to another.

Thank you. And God bless you.

Document 37

Transcript of a White House Press Briefing, April 21, 1983 (Extract) [33]

Creation of Interagency Group To Analyze Soviet Compliance With Arms Control Treaties

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[MR. SPEAKES.] There are a couple of stories that are pending in the newspapers this morning. One is, I think, the *New York Times* has it and at least AP and a couple of networks have had it about a new group that is looking into compliance and verification issues involving the Soviet Union. Here's our position on it. We're making a very serious approach, as we've said many, many times, on the question of arms control. One of the central questions involved in arms control is the compliance and verification issues. And, I think, everyone involved in the arms control talks, from our teams in Europe that are having discussions with Soviets, to the appropriate agencies within the government, agrees that this is a central and important issue.

The President, several months ago, in fact before the first of the year, [34] directed that there be a careful analysis of compliance and verification procedures, as we proceed into the complexities of the arms control talks this year.

Among that was an analysis of past Soviet practices. Our objective is to develop better treaties and better methods of verification and compliance. We think it is an essential ingredient of arms control that we have adequate verification. We think both sides, the United States and the Soviets, do have that interest at stake.

One of the reasons that the SALT II Treaty was not ratified by Congress was because of some questions about compliance. We recognize that this is a complex and technical subject that requires a careful and deliberate analysis.

So, at the President's direction, he has established an interagency group which is coordinated by NSC but includes all the appropriate agencies of the government. And they are addressing all the issues and treaties passed and those that are currently under discussion, that include the compliance and verification procedures.

So, this is—previously, it had been done each individual test ban treaty or chemical biological warfare treaty had been handled by a separate group. This is a coordinating group that was actually directed by the

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[33] Source: Office of the Press Secretary to the President. The briefing, which was conducted by Larry Speakes, Deputy Press Secretary to the President, began at 9:20 a.m.

[34] In a second White House press briefing on April 21, 1983, which began at 12:38 p.m., Speakes said that it was in November 1982 that the President directed that the group be formed. Although the group was formed shortly after that time, it did not meet for the first time until early in April.

President last year. And it is now in operation.

Q. Did the past studies, whether they were done individually or otherwise, find violations by the Soviets?

MR. SPEAKES. There have certainly been some questionable practices but we have not said publicly nor am I prepared to say publicly that there have been violations.

Q. Well—

MR. SPEAKES. But the point is that these are very complex issues. The treaties are complex. The methods of verification are complex. So, what we're now doing is simply giving the arms negotiation question some additional input in a serious fashion.

Q. That's not the way it's being interpreted. It's being interpreted as nailing the Soviets and saying, "you're violating" and—

MR. SPEAKES. Well—

Q. —building up a conservative—

MR. SPEAKES. I can understand that there is a misinterpretation, but when the President, as much as 6 or 8 months ago, saw the need for this and directed that there be an overall approach to it as a part of our arms reduction procedure at Geneva and elsewhere.

Q. Does that mean we will stop abiding by SALT II terms?

MR. SPEAKES. No.

Q. But your statements—

Q. Larry, do you—

MR. SPEAKES. Wait, wait. It has nothing to do with that. It is simply a method to look at and analyze present treaties and present Soviet behavior.

Q. But you're not going as far as the President's remarks in Los Angeles when he said there were "some very serious questions about Soviet compliance and I will have"—

MR. SPEAKES. There—

Q. —"I may have something to say about it soon." Does that still stand?

MR. SPEAKES. Sure.

Q. Larry, is Judge Clark heading up this study?

MR. SPEAKES. Well, it's under the NSC and Judge Clark is the head of the NSC, but it's basically—NSC is always on national security matters, is the White House coordinating agency, and all agencies are involved.

Q. Does that mean yes?

Q. So how do you—

MR. SPEAKES. Pardon?

Q. Does that mean yes?

MR. SPEAKES. Well, that's customary.

Q. Will he talk about compliance Wednesday night? [35]

Q. But I mean, yes, he is heading it up?

MR. SPEAKES. Well, I think it's difficult to say that. NSC is always the coordinating agency as far as the President is concerned. And Judge Clark is the head of the NSC and his staff bring in these various groups, but I wouldn't—

Q. When would you expect this study would end and the President might decide to make a speech about it?

MR. SPEAKES. Ralph, I don't have a timetable. We all recognize that it's very complex and it's going to require a lot of analysis, but the approach is to let us do a better job as we proceed into the arms control talks, and I think it will benefit all of us.

Q. It sounds—

Q. —Wednesday night—

Q. Excuse me. One follow-up.

MR. SPEAKES. Let's go one at a time. We've got all day here, now.

Q. One follow-up.

MR. SPEAKES. Just don't get excited.

Q. It sounds to me—and I may be misinterpreting that—that you're backing away from what the President said in Los Angeles.

MR. SPEAKES. No.

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[35] See document 623.

Q. Well, you haven't gone anywhere near as far as his statement.

MR. SPEAKES. Well, no, I'm not backing away. He said what he said. I say what I said. I didn't even address what he said. What I'm saying is that we're looking very closely.

Q. Some of the people in the arms control community claim that the NSC is at work on a speech on Soviet treaty violations. Is that correct?

MR. SPEAKES. No, not correct. There are always drafts of speeches and so forth that float around. There are always a lot of people that have done a lot of forward thinking, but when the President is ready to speak out on it he will.

Q. Larry, are we going to be safe assuming the President will not speak out until such time as this complex study is completed?

MR. SPEAKES. He'll speak out when he gets ready.

Q. Wednesday night, maybe?

MR. SPEAKES. No. He said Central America.

Q. Larry, why did he—

Q. He won't discuss compliance then?

MR. SPEAKES. I wouldn't think so.

Q. Why did he drop such a very large hint—

Q. —the ANPA—

Q. —that something was going to be forthcoming from him?

MR. SPEAKES. It is.

Q. Well, yes, but it's such an unfocused thing that you can't tell us when or when he makes a decision?

MR. SPEAKES. He didn't say when either.

Q. Yes, I know, but he usually does not tip his hand like that.

MR. SPEAKES. He said what he said, so I mean I can't read anything into that except he said, "I may have something to say on it later," and he certainly may.

Q. Will it be before May 17?

MR. SPEAKES. Certainly he may.

Q. —will have something—

Q. Would you say there's been no change in emphasis? I mean it seems like the President's—

MR. SPEAKES. You missed what I said.

Q. —previous discussions in here—

MR. SPEAKES. You missed what I said. What I said was that his previous—these studies were previously done by individual groups on individual treaties. Now we have coordination.

Q. Well, no, you said that the focus here earlier is to help negotiators in negotiating better compliance and verification procedures. And in both the President's speech, and it seems to me in previous discussions in here, we seem to focus more on the issue of violations.

MR. SPEAKES. Well, it's both. I mean, it's all-encompassing. I don't see how you can separate the two. If you're looking for better ways to develop a treaty so that it will be, number one, ratified by the Congress, and, number two, will stand the test of time, then you look for a—

Q. Well, these treaties have stood the test of time. We haven't had a nuclear war in 35 years.

Q. About 35 years.

MR. SPEAKES. But . . . has the arms buildup stopped?

Q. Not on either side.

MR. SPEAKES. Well, I know.

Q. Well, that isn't the point. It never really—

MR. SPEAKES. The point is that if you can have some agreement—

Q. Have we violated the treaty?

MR. SPEAKES. —on verification—Not to my knowledge, no.

Q. Larry, you linked verification and compliance together and you said that the reason the SALT II had problems in Congress was problems of verification as well as compliance. Is the administration growing more confident in its ability to verify potential violations of things like SALT II?

MR. SPEAKES. This is part of it.

Q. Was that a yes?

MR. SPEAKES. Yes, sure, we've grown more confident in it.

Q. And so then it shifts to the question of compliance then?

MR. SPEAKES. What you do is you come down to the business of negotiating a treaty that spells out these means and methods and spells out the procedures. What we're dealing with are treaties that are very complex, the wording is complex. It is difficult to—for both sides to agree on the meeting and the verification procedures that are allowed under the treaties are difficult. So what we look at is procedures that will be agreeable as we proceed in the discussions.

Q. So, Larry, there will not be any treaty until this study is finished.

MR. SPEAKES. No. No, I think you're fine tuning this much, much further than it merits.

Q. Well, we think it's because the conservatives want to create an atmosphere, or at least some people think it is, create an atmosphere where you won't have arms control.

MR. SPEAKES. Well . . . I—

Q. And if you raise the—

MR. SPEAKES. —I understand—

Q. —tensions with the Soviet Union and start accusing them of everything, how can you go into an agreement with them?

MR. SPEAKES. I understand your desire to write that angle; but I cannot help you on it. I have stated the official position of the United States Government, the President's thinking on it, that originated many months ago. And if you want to take what you think—

Q. You know, you started arms control talks, reduction talks, 2 years ago. How come this is suddenly an issue now?

MR. SPEAKES. It has not suddenly become an issue. It has been an issue on the mind of the President, now, for several months. So—

MR. ALLIN. The issue has been studied . . . in context of the INF interagency group and in context of the START interagency group. This is a comprehensive review—

Q. Well, what are the conclusions?

MR. ALLIN. Excuse me. This is a comprehensive review of all treaties and agreements that have been negotiated in the past dealing with verification and compliance issues and dealing with the verification and compliance issues that apply to those treaties which we are now negotiating, including MBFR, the three different sets of negotiations that are on-going.

Now, the conclusions and the reports and the work of the other committees, some of those are still going on within the context of the negotiating procedures. And they will be incorporated, obviously, within this study as well.

Q. Larry—

MR. SPEAKES. Okay. Second subject.

Q. When was this set in motion again?

MR. SPEAKES. Six or eight months ago, before the first of the year.

Q. Did the President direct this study being conducted, because he does not trust the Russians?

MR. SPEAKES. No.

Q. He trusts them?

Q. He does trust the Russians? (Laughter)

MR. SPEAKES. No. That is not why he directed the study.

Q. Larry, hasn't he presupposed the thrust of this report? He has called the Russians dishonest, cheaters, the focus of evil.

MR. SPEAKES. Let me say something right here. I come in here and tell you exactly what the President is thinking. I tell you the full story on why this was done. I tell you exactly what it is. Yet, you are determined to write something else.

Q. No. We are not determined. We just want to find out the other aspects.

MR. SPEAKES. And I have told you.

Q. You should not presuppose anything either.

MR. SPEAKES. I know. But your statements fly into the face—it is interesting that, very often, reporters will take what some mid-level guy says on background and go with it in the face of what an official spokesman walks out here and says—"Look; this is it."

Q. You are confirming a story in the *New York Times* which has that whole aspect very high in the story.

MR. SPEAKES. I understand.

Q. Okay. That is why the questions are legitimate.

MR. SPEAKES. But if it is wrong, it is wrong.

. . . . . .

Document 38

Fiscal Year 1984 Arms Control Impact Statements, Submitted by the Reagan Administration to the Congress, April 1983 (Extracts) [36]

Potential Impact of Conventional, Chemical, and Nuclear Defense Programs on Arms Control Policy and Negotiations

The increasing vulnerability of the Minuteman force, the necessity to maintain the deterrent contribution of the ICBM leg of the Triad, the political and military implications of an asymmetry in ICBM capabilities (including prompt, hard-target-kill capabilities) favoring the Soviet Union, and the ongoing and projected overall buildup of Soviet strategic forces have led to the decisions to deploy the Peacekeeper (MX) missile and to continue upgrading the Minuteman force. The decision to deploy the Peacekeeper (MX) reflects a judgment that the paramount necessities are to maintain the ICBM leg of the Triad's unique contribution to credible deterrence and to deny the Soviets any political or military advantages that may result from a major asymmetry in relative ICBM capabilities. The greater capability of the Peacekeeper (MX) will maintain the U.S. ICBM force's retaliatory capabilities, further redressing the perception, and the reality, of increased Soviet advantages in certain force characteristics. Improved prompt hard-target-kill capabilities also could permit the US to attain an effective capability against Soviet military and command/control targets which have been increasingly hardened.

There are political as well as military reasons to retain U.S. hard-target-kill capabilities. Failure to deploy Peacekeeper (MX) could lead to perceptions of Soviet advantage with the following implications: (1) greater Soviet freedom of action in the employment of conventional forces; (2) greater Soviet latitude in the implicit utilization of nuclear strength for political coercion; (3) the development of new perceptions of relative U.S. and Soviet strength among third countries that could have a wide impact on US foreign policy; and (4) an adverse affect on Allied willingness to deploy GLCM and Pershing II nuclear weapons in Europe.

Deployment of the Peacekeeper (MX) and modifications to the Minuteman would be consistent with the terms of SALT I and II. These agreements would allow modifications of existing weapon systems within specific constraints, and

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[36] Source: *Fiscal Year 1984 Arms Control Impact Statements: Statements Submitted to the Congress by the President Pursuant to Section 36 of the Arms Control and Disarmament Act, Joint Committee Print of the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs, Ninety-eighth Congress, First Session* (Washington, April 1983), pp. 31–33, 66–67, 99–100, 121, 137, 159, 182–183, 202–203. The extracts printed here are sections in the statements entitled "Summary and Overall Arms Control Assessment" of specific U.S. defense programs. A digest of the 372-page compilation of the statements prepared by the Congressional Research Service appears on pp. xi–xxv.

Arms Control Impact Statements are required under the terms of 22 U.S.C. 2576, as amended. The fiscal year 1984 statements, which were transmitted to Congress accompanied by a letter of submittal dated January 31, 1983, from the Acting Director of the Arms Control and Disarmament Agency, James L. George, to Speaker Thomas P. O'Neill and President of the Senate George Bush, mark the eighth year in which they have been submitted by the President to Congress.

the SALT II agreement would permit deployment of one new type ICBM.

When fully deployed, the Peacekeeper (MX) will bolster deterrence by eroding Soviet confidence in their ability to conduct successfully strategic operations against the United States. By helping to rectify the current imbalance, deployment of the Peacekeeper (MX) will give the Soviets a powerful incentive to negotiate equitable and verifiable reductions in strategic force levels.

The new U.S. strategic program should raise fundamental questions for the Soviets about their heavy reliance upon vulnerable first-strike strategic weapons as the United States improves its less vulnerable second-strike capabilities. Substantial Peacekeeper (MX) deployment could result in an increase in U.S. prompt hard-target-counterforce capability to the point that the Soviets perceived a substantially greater threat to their ICBM force. Thus, Peacekeeper (MX) deployment should provide a major incentive for the Soviets also to seek ways to make their land-based ICBMs less vulnerable.

Although permitted by the basic SALT II Agreement after the expiration of the Protocol, Soviet deployment of a mobile ICBM could raise serious verification problems. Soviet technology for mobile launchers is well developed. Cooperative measures will be an essential element in any future strategic arms control agreement, and their importance will be significantly enhanced if it is necessary to monitor future Soviet ground-mobile ICBM deployments.

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The Trident and Poseidon submarine and missile systems should sustain for the foreseeable future the already high survivability of the US ballistic missile submarine force. The range of the Trident I and II missiles will make available to U.S. strategic submarines far more ocean operating area than is available to SSBN's with Poseidon SLBMs, and should present a formidable problem to foreseeable Soviet ASW forces. The relatively high survivability of Trident submarines, due to increased operating area, is further enhanced by the improvement in the quietness of their operations. The Trident program will also add to the U.S. retaliatory capabilities deployed to deter a surprise attack.

As currently planned, the introduction of Trident submarines begun in FY 1981 would result in an increase in the numbers of strategic sea-based ballistic missile warheads [deleted].[37] The modernization of the U.S. sea-based strategic forces is consistent with the U.S. policy of restoring the strategic balance, enhancing stability through survivability, and creating incentives for the Soviets to enter into meaningful negotiations for arms limitation treaties. [Deleted] expected increases in the number of Soviet strategic nuclear warheads in the absence of strategic arms constraints.

The Trident II potential for hard-target-kill capability will offset the political and military benefits that the Soviets are attempting to secure by increases in their own hard-target-kill capabilities. Further, it is possible that improvements in U.S. counter-silo capabilities could move the Soviets toward a less destabilizing force configuration. Finally, an increased US hard-target-kill capability would provide the United States with an improved and enduring military capability against hard targets in the USSR.

In summary, the SSBN/SLBM and associated communication programs analyzed here have beneficial arms control implications.

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In the face of improving Soviet air defenses, the procurement of ALCMs and the B-1B while developing advanced technologies is necessary to maintain the effectiveness of the strategic bomber force. The programs described in this statement will improve U.S. retaliatory capabilities and thus strengthen deterrence, enhance crisis stability, and create incentives necessary for the Soviets to respond seriously to U.S. proposals for meaningful strategic arms reductions. At the same time, the strategic bomber force clearly will pose no first-strike threat to USSR strategic forces.

The introduction of ALCMs on B-52s [deleted]. ALCM deployment must be

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[37] Projection does not reflect impact of strategic arms control agreements. [Footnote in the source text. All brackets are in the source text.]

seen in the light of the need to maintain adequate military capability to execute the national strategy and achieve U.S. national security objectives, to correct the existing strategic force imbalance, and to restore strategic stability consistent with U.S. arms control policy.

The Soviets might respond to U.S. ALCM deployments in a variety of ways, including: (a) further improvements to their air defense system; (b) acceleration of their strategic weapons buildup beyond the scope of present plans; (c) increased willingness to pursue negotiated arms limitations; or (d) some combination of the above. However, without offsetting adjustments in U.S. forces, a U.S. decision unilaterally to restrict cruise missile deployment and new bomber procurement would lead to U.S. strategic forces that were not capable of supporting U.S. national security objectives.

Programs to ensure the continued effectiveness of the airborne strategic offensive force support U.S. arms control and national security goals of deterring nuclear war or coercion, and maintaining international stability through the preservation of a credible threat of assured retaliation. These programs contribute to the reliability, survivability, and penetrativity of the air-breathing element of the strategic Triad and are consistent with U.S. arms control objectives.

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The Soviets currently possess an operational ASAT and the United States does not. The arms control policy with regard to space defense is consistent with a U.S. space defense program which:

—will provide a capability to negate Soviet military satellites that directly support Soviet combat forces;

—will provide a capability that would deter the Soviets from using their ASAT against U.S. space systems;

—indicates U.S. determination not to permit a Soviet antisatellite system monopoly;

—will provide a hedge against Soviet cheating or covert deployment of an effective antisatellite system in the event an ASAT agreement is reached;

—is consistent with U.S. obligations under the Outer Space Treaty, the UN Charter, the ABM Treaty, the International Telecommunications Convention, the Convention on Registration of Objects Launched into Outer Space, and the Direct Communications Link Modernization Agreement;

—would not adversely affect other arms control negotiations;

—[deleted];

—is not likely to lead to third-country development of antisatellite systems; and

—[deleted].

Many potential provisions of [deleted].

. . . . . .

The FY 1984 U.S. Ballistic Missile Defense program is consistent with the ABM Treaty and supports U.S. arms control and national security policy. It is consistent with current and prospective arms control negotiations. The program is designed to: (1) avoid technological surprise, (2) provide a BMD technology base to hedge against Soviet violation or abrogation of the ABM Treaty, (3) improve the potential for U.S. ICBM survivability, and (4) provide deployment options as a hedge to counter Soviet threat growth. It also supports our ability to assess the capabilities of U.S. ICBMs and SLBMs to accomplish their strategic deterrent missions.

The BMD program as it is presently constituted has no adverse arms control impact.

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The Sea-Launched Cruise Missile program is consistent with U.S. arms control policy and related Presidential decisions and is not constrained by existing arms control agreements.

The effect of U.S. modernization programs on current and prospective arms control negotiations has already been demonstrated in the INF talks. It was not until faced with the prospect of PII and GLCM deployments that the USSR displayed a willingness to engage in substantive arms control negotiations. With re-

READEX FICHE

spect to potential future arms control agreements, mobile systems such as cruise missiles are likely to present difficulties for verification.

The impact of SLCM on global and regional stability is largely a function of [deleted].

[Deleted].

In summary, the SLCM program is important to deterrence and stability. Like any nuclear modernization program, however, it entails political costs and carries with it important arms control implications. In this regard, we will continue to ensure that this program is consistent with our overall national security objectives, including the development of future options for reducing nuclear arms and ensuring deterrence and global stability.

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Both the Pershing II and GLCM programs are consistent with U.S. arms control policy and related Presidential decisions and are not constrained by existing arms control agreements.

The effect of U.S. modernization programs on current and prospective arms control negotiations has already been demonstrated in the INF talks. In the face of Allied resolve to go forward with INF deployments, the Soviets dropped their preconditions for entering into negotiations with the United States. U.S. modernization programs could engender further modernization of Soviet INF. On balance, however, there would be little prospect for concrete arms control results involving INF in the absence of NATO's decision to modernize these forces.

Deployment of U.S. PII and cruise missiles is intended to redress a dangerous imbalance caused by the Soviet deployment of large numbers of highly capable SS-20 missiles, in addition to existing Soviet LRINF weapons. Thus, U.S. and NATO modernization, in the absence of concrete arms control results, is designed to enhance global and regional stability, both militarily and politically. While the Soviets could take military steps that would further aggravate LRINF imbalances, we are working in Geneva, in close consultations with our allies, to seek an arms control solution.

The technological implications of these programs are likely to be [deleted].

PII and GLCM have synergistic effects with each other, battlefield tactical nuclear systems, and other nuclear weapons. INF interact with both conventional and U.S. strategic forces in the doctrine of flexible response, providing for enhanced deterrence and the possibility of escalation control should deterrence fail. They also allow overall improvements to the survivability and stability of NATO's theater nuclear posture. The Alliance's decision on new longer-range INF missile systems strikes a balance so as to enhance deterrence by providing NATO with more effective LRINF, while not undermining the credibility of the U.S. strategic commitment to NATO, nor unnecessarily provoking Soviet responses detrimental to Western security.

NATO's decision to modernize its longer-range INF missiles provides for the deployment of Pershing II and GLCM, without increasing the current nuclear weapons stockpile in Europe. The modernization decision includes a parallel NATO decision on an arms control approach to the Soviet Union involving LRINF.

With respect to potential future arms control agreements, [deleted].

In summary, the U.S. Pershing II and GLCM programs are important to deterrence and stability. Like any nuclear modernization program however, they entail political costs and carry with them important arms control implications. In this regard, we will continue to ensure that these programs are consistent with our overall national security objectives, including the development of future options for limiting nuclear arms to ensure deterrence and global stability.

. . . . . .

Modernization of NATO short-range nuclear weapons is consistent with U.S. arms control policy and would not be affected by existing or prospective arms control agreements. Improvements planned for these weapons could increase NATO's capability to deter a conventional or nuclear attack by the Warsaw Pact. Moreover, if deterrence fails, these weapons could enhance NATO's capability to

terminate the conflict at the lowest possible level. In the event of any decision to deploy ER weapons, full consultations would take place with any ally on whose territory such weapons would be based.

These modernized weapons provide significant improvements in the range, accuracy and reliability of warhead yield in the case of AFAPs, and for both Lance and AFAPs provide improvements in command and control, as well as safety and security improvements over older nuclear weapons. They, therefore, contribute to stability through greater operational control, survivability, reliability, and flexibility in use.

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Elimination of the use of chemical weapons is a national security objective of the United States. The ongoing use of mycotoxins and other chemical weapons in SEA and Afghanistan underscores its importance. U.S. policies to achieve this objective have two interrelated and complementary aspects. The first deals with chemical weapons arms control and disarmament, the second with military strategies and capabilities to deter and, if necessary, defend against chemical warfare. Essentially, chemical weapons arms control is to be pursued, and appropriate military capabilities are to be maintained, until such time as verifiable international agreements can be concluded which effectively remove existing and future threats of chemical warfare.

Given the many technical, as well as political, difficulties which remain to be resolved, conclusion of an effective chemical weapons prohibition is not a real possibility for the foreseeable future. Active RDT&E of both deterrent retaliatory and defensive CW needs, procurement of an improved CW protective capability and the initiation of the modernization of the deteriorating chemical retaliatory capability are necessary for our defense so as to deter Soviet use of CW against us or our allies. They are consistent with U.S. arms control policy and, by helping to eliminate the existing large asymmetry in U.S.–USSR CW capabilities, will give the United States the vital negotiating leverage that is absolutely essential if the Soviet Union is to be convinced that it is in its interests [deleted].

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The high energy laser and particle beam concepts represent new technologies with potential weapon applications. [Deleted].

[Deleted].

[Deleted].

The ABM potential of DE weapons has arms control implications because the 1972 ABM Treaty bans the development, testing, and deployment of all ABM systems and components that are sea-based, air-based, space-based, or mobile land-based. The Treaty does allow the development and testing of fixed, land-based ABM systems and components based on other physical principles (such as lasers or particle beams), including such fixed, land-based components capable of substituting for ABM interceptor missiles, ABM launchers, or ABM radars. The Treaty, however, prohibits the deployment of such fixed, land-based systems and components unless the Parties consult and amend the Treaty.

[Deleted].

Possible limits on antisatellite systems have been addressed by the United States and the Soviets. [Deleted]. The question of ASAT arms control is presently under review.

Given a DE weapon-related arms control agreement, the US would insist on adequate verification measures. NTM alone may not be adequate and some form of "cooperative" measures may be required to contribute to mutual confidence.

[Deleted].

[Deleted], though the DE-related R&D efforts funded in this FY 1984 budget have no more than marginal arms control effects now, this technology deserves continuing attention in the future.

Document 39

Remarks by President Reagan, May 5, 1983 (Extracts) [38]

Reaction to Catholic Bishops' Pastoral Letter

Q. Mr. President, the Roman Catholic bishops, as you know, voted overwhelmingly yesterday in favor of a resolution calling for a halt in the nuclear arms race. Is that going to complicate your administration's efforts in trying to head off the nuclear freeze movement?

THE PRESIDENT. No, I don't really think so, particularly if those of you who are going to be commenting on this will wait, as we have to, until we have a chance to see the 45,000-word letter. [39] I think that too much attention was being paid to the one word, "curb" or "halt," when you think there's 45,000 words in toto. We haven't received it yet. I have had some information in advance about it, which indicates that it really is a legitimate effort to do exactly what we're doing, and that is to try to find ways toward world peace. And if so, then we're both doing the same thing.

Q. But isn't it true that if a number of leading Catholic bishops—archbishops, cardinals such as we've seen during this debate—go around the country, either to their parishes or in other forums, and say, as they are saying, that we think nuclear—the use of nuclear weapons is wrong—and some of them are saying, in fact, we see no way that nuclear weapons should ever be used—isn't that going to have an influence on the debate?

THE PRESIDENT. Well, is it really? Is there anyone that really favors using those weapons or that wants to see them? Our own proposals in START and INF are aimed at starting to reduce those weapons. And my own hope is that maybe once we start, that we can completely eliminate them. What we're talking about is a weapon that is so contrary to what used to be, before Hitler invented total war—what used to be the policy of all nations by way of the Geneva rules and regulations concerning warfare. And that is that you did not make civilians targets of war. We used to have very specific rules about that in the rules of warfare. And then came total war in World War II, and, yes, all of the nations finally were doing it with the conventional weapons, bombing and so forth.

But this now—can anyone—granted that your weapons are targeted on weapons, but this kind of weapon can't help but have an effect on the population as a whole. So they're not saying anything we don't say, that God forbid those weapons should ever be used.

. . . . . .

Q. Are you saying that based on what you've seen so far, there is nothing inconsistent in the bishops' letter with your administration's policies?

THE PRESIDENT. As I say, I have not seen it yet and 45,000 words are a lot to digest. But what I'm saying is that I think their purpose is the same as ours. They're looking for a way toward peace and promoting world peace. And that's what we're also looking for. And I think that—just deal in the specifics. And so far, all of the accounts of this, and all of the reporting has dealt on that one word as if the difference between "curb" and "halt"—we've had some indications that, in reality, there are many things in there that we'll have no quarrel with at all.

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[38] Source: White House Press Release, May 5, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, May 9, 1983, pp. 643–644. The President was interviewed by reporters George Condon of Copley News Service, Bruce Drake of the *New York Daily News*, Sara Fritz of *U.S. News & World Report*, Carl Leubsdorf of the *Dallas Morning News*, Chris Wallace of NBC, and Steve Weisman of the *New York Times* on May 5, 1983, at 2:09 p.m.

[39] Reference is to *The Challenge of Peace: God's Promise and Our Response. A Pastoral Letter on War and Peace* (Washington, United Catholic Conference, May 3, 1983).

Document 40

Statement by President Reagan, May 5, 1983 [40]

Reaction to House of Representatives Vote on a Nuclear Freeze Resolution

Nearly 2 months ago, the House of Representatives began a serious debate about alternative approaches to arms control. This debate, one of the longest in the history of the House, not only elevated understanding of the issues but made it clear that the issues themselves are enormously complex. There are no easy answers to arms control.

During this debate, it became apparent to more and more members of the House that an immediate freeze, while superficially appealing, is fundamentally flawed. For more than 30 years, we have maintained world peace because the United States maintained effective forces of deterrence; we must not jeopardize our ability to keep the peace. Nor can we lock the United States into a position of inferiority. And we must not take any steps that would disrupt the highly sensitive arms reduction negotiations underway in Geneva.

I am pleased that a great number in Congress came to recognize the threats posed by a simple "freeze now" approach and passed amendments that sought to improve the final resolution passed by the House. The Levitas amendment [41] was especially welcome because it recognizes the importance of arms reduction in achieving genuine arms control.

The balance of the resolution that was passed last night [42] is ambiguous and, indeed, so internally inconsistent that interpretation is difficult. For example, the resolution calls for a freeze while also expressing the need for maintaining equivalence and a stable international balance. As stated many times before, this administration agrees that the maintenance of an arms balance is essential. But an immediate freeze would prevent us from having it. In sum, the resolution finally adopted by the House, while greatly improved, is not an answer to arms control that I can responsibly support.

Should this debate now move on to the Senate, I am confident that the doubts and opposition to a simple freeze now will continue to grow. In the meantime, this administration will continue to press forward vigorously at the negotiating table for arms reductions that I believe remain the best, true hope for peace and stability.

Document 41

Letter From President Reagan to Senator Charles H. Percy, May 12, 1983 [43]

Response to Congressional Letter on Scowcroft Report and Build-Down Proposal

DEAR SENATOR PERCY: Thank you for your recent letter [44] on our strategic modernization program and its relationship to our arms control proposals. Your letter represents the bi-partisan spirit which I believe will help achieve our common goals of ensuring effective deterrent forces and equitable and verifiable arms reductions.

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[40] Source: White House Press Release, May 5, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, May 9, 1983, p. 652.

[41] The amendment proposed by Representative Elliott H. Levitas required suspension of a freeze agreement if it were not followed by mutual arms reductions within a specified period of time.

[42] House Joint Resolution 13 was adopted by the House of Representatives on May 4 by a vote of 278 to 149.

[43] Source: *Weekly Compilation of Presidential Documents*, May 16, 1983, pp. 704–705. Identical letters were sent to Senators Sam Nunn and William S. Cohen.

[44] The letter to President Reagan was signed by Senators Percy, Nunn, and Cohen. The text of the letter, dated April 29, 1983, appears in *United States-Soviet Relations: Hearings Before the Committee on Foreign Relations, United States Senate, Ninety-eighth Congress, First Session* (Washington 1983), Part 2, pp. 41–43. For the President's reply to Senator Cohen, see *ibid.*, pp. 43–44.

The fundamental U.S. goal in negotiations concerning arms reduction, and especially in our approach to the START negotiations, is to seek agreements that would enhance security and stability by reducing overall force levels while permitting modernization of U.S. forces necessary for a credible deterrent. As you know, the Scowcroft Commission noted that elements of our START proposal are consistent with and supportive of the Commission's findings. I agree wholeheartedly with the essential theme of the Scowcroft Commission's approach to arms control: the attainment of stability at the lowest possible level of forces.

The Scowcroft Commission's recommendations on modernization and arms control are integrally related.[45] Our action with respect to these recommendations must be equally comprehensive. That is why I am now reviewing our START proposal in order to develop such modifications as are necessary to reflect the Commission's approach, which I share. To cite just one example, the Commission report recommended that the proposed limit on deployed ballistic missiles currently contained in the U.S. START position be reassessed since it is not compatible with a desirable evolution toward small, single-warhead ICBMs. There are a number of alternative approaches available to integrate this and the other Commission recommendations into our approach to arms reductions. As modifications are made to our START proposal, I will continue to seek stability at the lowest possible level of forces.

The planned deployment of the Peacekeeper missile as proposed by my Administration is compatible with the long-term objective of the Scowcroft Commission Report. The Peacekeeper missile, deployed in a mix with small single-warhead ICBMs, would permit us to maintain the effectiveness of our deterrent and enhance stability.

At the same time, let me emphasize that we do not seek a first strike capability. To this end, we will constrain the number of Peacekeeper missiles to the minimum number needed to assure the effectiveness of our deterrent and no more. Our task, of course, would be much easier if the Soviets would agree to work with us to reduce the ratio of accurate warheads to missile silos. Clearly, consistent with our national security requirements, the overall level of Peacekeeper deployment will be influenced by Soviet strategic programs and arms reductions agreements.

In addition, I fully recognize the central role that the small, single-warhead ICBM plays in the overall modernization program recommended by the Scowcroft Commission Report. We will promptly undertake a major effort to bring the proposal of a small, single-warhead ICBM to fruition on a high priority basis.

In considering the implementation of the essential ICBM modernization program, the Scowcroft Commission also recognized that a series of decisions involving both the Executive Branch and the Congress would be necessary in the months ahead in order to determine the future shape of our ICBM force. Further, it noted that not all of these decisions can or should be made in 1983. The deliberate approach to decision making proposed by a number of members of Congress is fully in keeping with the intent of the Scowcroft Commission Report. I fully recognize that a lasting consensus on such an important issue must be built up carefully and I intend to take the time necessary to forge that lasting consensus.

I urge all concerned, however, to keep in mind that if we draw out critical elements of the decisionmaking process unnecessarily, we encourage the Soviets to delay in negotiations while continuing apace in their own weapons modernization programs.

To avoid this, I am seeking a clear show of support from Congress to signal U.S. resolve. A case in point is the clear necessity of approving funds promptly to procure Peacekeeper missiles. Working together, this should be achievable while simultaneously meeting our mutual desire to deal with deployment issues, whenever possible, in a careful, deliberate manner.

You have suggested that certain additional initiatives could be helpful in moving us toward our goals of security and stability at reduced levels of forces. One of the most prominent of these initiatives is the idea of a "guaranteed build-down."[46]

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[45] See documents 15, 17, and 18.

[46] The build-down idea, proposed by Senator Cohen in an Op-Ed piece in the *Washington Post*,

Continued

The principle of a mutual build-down, if formulated and implemented flexibly, and negotiated within the context of our modified START proposal, would be a useful means to achieve the reductions that we all seek.

It would, if properly applied, reinforce our intent to cap the number of strategic ballistic missile warheads on both sides and to cause each side to reduce those levels steadily and substantially over time.

It could be implemented flexibly and with reasonable latitude for each side to balance the forces it deploys and reduces. Variable ratios as appropriate, would encourage more stabilizing rather than less stabilizing systems.

It could be implemented in conjunction with an agreed floor which, when reached, would trigger the suspension of the build-down rule, subject to renegotiation.

As you have acknowledged, any build-down concept must recognize the importance of strategic modernization and the necessity of maintaining a balance during the reduction process to deal with asymmetries in U.S. and Soviet forces. It would, of course, require agreement on effective verification measures, including counting rules for all systems.

My Administration is currently examining the structure of a build-down proposal which would meet these criteria and would facilitate a START agreement embodying substantial reductions in nuclear forces. I will work with you and your colleagues to develop such a proposal.

Finally, I want to stress the extraordinary contribution made by the Scowcroft Commission. It provided an opportunity for non-partisan analysis of an exceptionally difficult issue as a prelude to obtaining necessary bipartisan support for critically needed modernization of our strategic forces. While not prescribing the details or the timing, the Commission report suggested certain directions that the continued evolution of our complementary strategy for arms reduction could take. Over the short term, follow-on arrangements involving members of the Commission, as well as close coordination with the Congress, will be extremely helpful both technically and politically in thinking through this evolution. However, we are giving careful consideration to determining which follow-on arrangements best meet our common objectives.

In this regard, I do see merit in a panel with bipartisan composition and with staggered terms of membership to provide advice and continuity in this area. I will work with the Congress, building upon the experience of the Scowcroft Commission, to strengthen and supplement our consultative and advisory processes to assure a lasting, national, bipartisan consensus concerning arms control initiatives—a consensus which will deserve to be sustained from one Administration to the next.

Sincerely,

RONALD REAGAN

January 3, 1983, p. A13, was introduced as Senate Resolution 57 on February 3, 1983, co-sponsored by Senators Cohen and Nunn. The text of the resolution appears in *United States-Soviet Relations*, pp. 3–4; a series of detailed questions and answers on the concept prepared by Senator Cohen is *ibid.*, pp. 45–51.

Document 42

Statement by President Reagan, June 8, 1983 [47]

Adjustment of START Proposals To Reflect Scowcroft Commission Recommendations

Good morning. The strategic arms talks, or START as we have named it, officially resumed today in Geneva. And I would like to speak for a moment about my hopes for these important negotiations and about changes which I've decided to make in our START proposal. Such changes reflect concerns and recommendations of the Scowcroft Commission, the Congress and others. They offer the pros-

[47] Source: White House Press Release, June 8, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, June 13, 1983, pp. 841–843. The President made this statement in the Rose Garden of the White House beginning at 11:02 a.m. before a group of approximately 100 U.S. Government officials and Ambassadors of allied countries.

pect of new progress toward a START agreement.

Before discussing these specifics, I would like to comment on what I see as very positive developments taking place both here and abroad.

I'm happy to say that today there's a growing sense that we're making progress. I just met in Williamsburg, as you perhaps have heard, with the leaders of the major industrialized nations,[48] and I was struck there, not only by the facts and figures pointing toward economic recovery, but also by a spirit of optimism and cooperation which was remarkable. This same spirit is visible in our discussion on security issues.

In NATO, as in other alliances, there's a new feeling of partnership. The Atlantic Alliance is alive and well and its close consultations are a source of strength and participation for each of its members. At least as important, and very gratifying to me, is the new spirit of bipartisanship on national security issues which is increasingly evident in both Houses of Congress.

When I established the Scowcroft Commission[49] I could not then foresee the impact that this outstanding panel would have. Clearly the commission's work, which went beyond MX to address critical issues of deterrence and arms control, has become a major stimulus to the rethinking of national policy. The commission's report challenged some favorite assumptions and called for changes in our strategic planning. At the same time, it expressed support for my administration's most heartfelt objectives in arms control: deep reductions, modernization for stability's sake, and the elimination of the first-strike threat.

I have pledged to Congress my full support for the Scowcroft Commission recommendations and my intention to incorporate them in our START proposal. So that we can continue to benefit from the wisdom of its counsel, I intend to ask the commission to continue to serve. Its bipartisan membership will thus be able to provide timely advice to me, both with respect to the adoption of its proposals into our defense program, and our arms control policies.

In recent weeks, I and officials of my administration have had an extensive series of private meetings with many Members of Congress. We've reviewed implications for the START negotiations of the Scowcroft Commission recommendations and also of the the mutual guaranteed build-down advocated by a number of distinguished Members of the Congress. The review of our START position was capped by four recent meetings, three yesterday and one today.

Yesterday morning at a meeting of the National Security Council, my senior advisers and I reviewed major implications and options. We also considered a range of congressional viewpoints.

Yesterday afternoon I met with groups of Senators and Congressmen whose interest and expertise in arms control I value highly. I discussed with them the major issues before us.

And this morning I met with the leadership of both Houses of the Congress. And throughout the START negotiations the administration has consulted with our allies.

Three full rounds of negotiations of START are now behind us. It's my judgment that these rounds have been useful and have permitted us to cover necessary ground. However, due largely to Soviet intransigence, we have not yet made meaningful progress on the central issues. I remain firmly committed to take whatever steps are necessary to increase the likelihood of real substantive progress toward an agreement involving significant reductions in U.S. and Soviet strategic nuclear arsenals and in the national security interests of both sides.

Above all, our goal is to maintain a stable nuclear balance in order to reduce the risk of war. Our efforts in the START negotiations must be guided by that objective.

The report of the Scowcroft Commission offers us a new opportunity for progress. It has provided a consistent and coherent framework to guide our thinking about the fundamental elements of our national security policy—deterrence, de-

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[48] Reference is to the 9th Economic Summit of the Heads of State of the seven leading industrial nations held at Williamsburg, Virginia, May 28–30, 1983.

[49] The President established the commission on January 3, 1983. Regarding its report, see documents 15, 17, and 18.

fense, and arms control. But, more than that, it has provided the basis for renewed, bipartisan support for that policy.

To capitalize on this critical opportunity and on the basis of the widest possible range of advice, I have directed new steps toward progress in achieving real arms reductions at the START negotiations. The purpose of this guidance, provided to Ambassador Ed Rowny, our Chief START Negotiator, is to adjust the U.S. START position to bring it into line with the Scowcroft Commission's recommendations and to provide additional flexibility to our negotiators in pursuing our basic goals.

Although we have put forth a comprehensive proposal on limiting strategic ballistic missiles and bombers, our primary aim in the START negotiations has been, and continues to be, to reduce the threat posed by the most destabilizing systems, namely ballistic missiles. To achieve that aim, measures that constrain the number and destructive capability and potential of ballistic missile warheads are essential. Our proposed limit of 5,000 total ballistic missile warheads—a reduction by one-third of the current level—remains the central element of the U.S. START position.

The U.S. START position tabled in previous negotiating rounds includes another constraint. It would have limited each side to no more than 850 deployed ballistic missiles. This measure was never viewed as being as useful or important a constraint as the limit on total ballistic-missile warheads.

The Scowcroft Commission Report specifically suggested that it should be reassessed since it could constrain the evolution we seek towards small, single-warhead ICBMs. Acting upon the Commission's recommendation, I have now directed our negotiators to adjust our position on deployed ballistic missiles by relaxing our current proposal for an 850 deployed ballistic missile limit.

At the same time, the United States remains firm on the point that the destructive capability and potential of ballistic missiles must be addressed in START. Our current position includes a network of constraints designed to lead toward a more stable, strategic balance at reduced force levels while addressing the destructive potential of missiles.

The Soviets and others have complained that these constraints are designed to dictate Soviet force structure, according to U.S. standards. This is not the case. We believe, as does the Scowcroft Commission that ability, or stability, can be increased by limitations on the destructive capability and potential of ballistic missiles. As a consequence, we will continue to propose such constraints which indirectly get to the throwweight problem while making clear to the Soviets our readiness to deal directly with the corresponding destructive capability, if they prefer.

There may be more than one way to achieve our objective of greater stability at reduced levels of arms. So I've instructed Ambassador Rowny to make clear to the Soviet delegation our commitment to our fundamental objectives; but I have also given him the flexibility to explore all appropriate avenues for meeting our goals. I sincerely hope that the Soviet Union will respond with corresponding flexibility.

Finally, high priority work is continuing on how the mutual and guaranteed build-down concept proposed by several U.S. Senators can be applied in our quest for significant and stabilizing strategic arms reductions.

These actions reflect a bipartisan consensus on arms control and new flexibility in the negotiations, steps to be viewed by the Soviets and all others who have a stake in world peace. To the leaders of the Soviet Union, I urge that this new opportunity not be lost. To America's friends and allies around the world, I say that your steadfast support for the goals of both deterrence and arms control is essential in the future. To Congress and to the American people, I say let us continue to work together in a bipartisan spirit so that these days will be spoken of in the future as the time when America turned a corner. Let us put our differences behind us. Let us demonstrate measured flexibility in our approach while remaining strong in our determination to reach our objectives of arms reduction, stability and security. Let us be leaders in the cause of peace. Thank you. (Applause)

Document 43

Transcript of a Press Conference by the Secretary of State (Shultz), June 22, 1983 (Extract) [50]

Is the MX a Bargaining Chip for START?

. . . . . .

Q. Mr. Secretary, there seems to be some confusion about the meaning of the terms under which the MX missile might be abandoned. Is this meant as a serious negotiating offer, or is it meant to simply convey the idea that it would be very, very difficult to talk us out of the MX?

SECRETARY SHULTZ. I think this blow-up today [51] about that subject is puzzling because I don't think that there's anything particularly new to be said on the subject.

Let me just review where we are. The first point to remember is that the Peacekeeper, or MX, as it is deployed, will be a very important modernization of the land-based leg of our Triad deterrent force. That's the fundamental reason why the President is recommending it, the Scowcroft Commission recommended it, and why it's being funded and put there.

At the same time, we are in the process of a wide-ranging discussion with the Soviet Union aiming at reductions in strategic arms. That's including the whole variety of arms that fall under that category. So all of these things are under discussion.

But I don't think there is anything particular to recommend, picking out a particular element in that bargaining and trying to place it against some other element in that bargaining. If we are able to reach a result, which I hope very much that we are, there will be a package of things that will be worked out between the parties, and that's always the way it is in any complicated bargain, not an equation of any one thing.

Q. Mr. Secretary, on that point a number of people in Congress have said that they believe the MX was essentially put forth as a bargaining chip. But General Scowcroft himself has said that is not the case, that there are no conditions under which it would not be deployed.

Was it meant to be a bargaining chip?

SECRETARY SHULTZ. I think I've just answered that question, but I'll try it again. The reason for the proposed deployment and eventually the deployment of the MX or Peacekeeper missile is that it constitutes a key ingredient in the land-based leg of the triad of deterrent forces. That is the basic sum and substance of it.

We are engaged in a bargaining process, and the bargaining process is about strategic forces. The MX or Peacekeeper is part of those strategic forces, so it's something that has to be taken account of in those discussions. It's basically as simple as that.

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[50] Source: Department of State Press Release 221, June 22, 1983; printed also in Department of State *Bulletin*, August 1983, pp. 5–8.

[51] Reference is to a letter dated June 16, 1983, from Kenneth Adelman, Director of the Arms Control and Disarmament Agency, to Senator Charles H. Percy. The relevant portion reads:

"Dear Mr. Chairman: At yesterday's hearing Senator Pell asked whether under any circumstances the U.S. would be prepared to give up the MX program?

"The following is my answer for the record: The President has made clear that the scale of MX deployment will be influenced by Soviet strategic programs and arms reduction agreements. The MX is the U.S. response to a massive build-up of Soviet ICBMs over the last 10 years, and unless the Soviets are prepared to reverse this build-up and forego their heavy and medium ICBMs, the U.S. will go forward with MX."

The letter is printed in *United States-Soviet Relations*, Part 2, p. 51. The June 15 hearings referred to by Adelman were held in executive session.

Document 44

Testimony by the Deputy Secretary of State (Dam) Before the Senate Foreign Relations Committee, June 23, 1983 (Extract) [52]

Structure for Preparation of U.S. START Negotiating Position

SENATOR BIDEN. . . . I would like to talk about the negotiating structure within the administration. Who is in charge? Is it Mr. Rowny? Who has the President's ear? Who is the person the President most listens to on arms control? Mr. Rowny? Mr. Clark? Mr. Adelman? You? The Secretary of State? And I am not being facetious. Who? Could you tell us that? Who is the most influential person with the President on this issue?

MR. DAM. I can answer the first part of the question, which I understand is not what you are trying to get at, when you ask, who is in charge? There is no question about the fact the President is in charge.

SENATOR BIDEN. Who after the President?

MR. DAM. I do want to emphasize that, because I have to say that having attended that very well publicized NSC meeting, [53] there is no question about the fact that in the discussion of the START position, the President was very much on top of the issues, and very much in charge, and understands the issues. It was an excellent meeting.

Now, that being said, there is an NSC structure which provides for interagency work coming together in NSC meetings. Now, the—

SENATOR BIDEN. Now, who heads that? I am going to ask questions that are obvious on their face, but I would like them answered. Who heads those NSC meetings? Who carries the substantive issues in the NSC meetings on arms control? Who chairs those?

MR. DAM. The President chairs it. I am not going to get into details of specific NSC meetings, but—

SENATOR BIDEN. No, I do not want to know—

MR. DAM. They are chaired by the President. The job of the National Security Advisor is essentially to construct agendas. The normal person who speaks first, and in some sense is looked to for overall direction is the Secretary of State, and certainly the Secretary of State has been spending a lot of time on this question. He has gotten very deeply into the issues. In my judgment, he understands it extremely well. Not only has he mastered the technical details, but he also—and this should not be surprising for people who know him—understands very well the psychology of the negotiations, and how they have developed, and how they should be expected to develop.

Now, there obviously is a very important role for the Department of Defense, and that includes the Joint Chiefs of Staff, because they obviously have the greatest knowledge of the weapons systems. There is obviously a role for the Central Intelligence Agency. There is an important role for the Arms Control and Disarmament Agency.

SENATOR BIDEN. Who prepares the ultimate negotiating—I do not want to know it; but who prepares the document that is the recommended negotiation position as they change? Who hands that to the President? Who prepares it, and who hands it to the President, understanding the President may discard it, change it, know so much about it he writes it all by himself, but who presents—who is in charge of preparing that paper?

MR. DAM. There is an interagency group.

SENATOR BIDEN. I know that, but one person heads that. Who does that?

MR. DAM. I believe that in the START case the principal actor is Admiral Howe.

SENATOR BIDEN. And for whom does he work?

MR. DAM. Admiral Howe is in the State Department. He is in charge of our Politi-

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[52] Source: *United States-Soviet Relations*, Part 2, pp. 318–321.

[53] Reference is presumably to the National Security Council meeting held on June 7, 1983, at which, according to the *Washington Post*, May 30, 1983, p. A1, the differences between the Departments of State and Defense on the new START position were scheduled to be resolved.

cal Military Bureau. He has the advantage that he not only is within the State Department and has been for some time, and has good knowledge of all of the diplomatic aspects of it, but he also is a military officer.

SENATOR BIDEN. So it goes from Howe to the President?

MR. DAM. Well, the purpose of the NSC structure is to be the President's White House staff. The staff is the President's staff, and they structure the meetings essentially, under the statute. Obviously the handing out of things and the construction of the agenda are a job for the President's staff. But there are no surprises here. One does not go to a meeting and find that there is some other agenda than what we have been preparing for all the time.

SENATOR BIDEN. No, I am not talking about the agenda. For example, let me be more specific. Let us assume that, and since we have established for the record that the Adelman letter [54] was not a proposal, let us assume, since that is not the case, and everybody knows that now, let us assume that was the proposal that Mr. Rowny was going to be instructed to table.

Now, as knowledgeable as the President may be on this issue, unless he is unlike any other President, including ones who were known for their great knowledge of this issue, like President Nixon, unless—even he, because he was such a busy man, and all Presidents are, there is one last person that talks to the President, and by the way, you have been in the bureaucracy long enough. If I have to have a job working for a President, I do not care what the title is, I want to be the last guy to talk to him, no matter what. I think we both agree that that is a strategic position to be in. No matter what the title. No matter how important. I want to be the last guy other than the doorman, you know—

MR. DAM. I was going to mention the doorman.

SENATOR BIDEN. The doorman in this administration's case may have influence. I do not know. [General laughter.] [55]

But I should not be so facetious. I should not have said that. I am sorry. But I could not resist that, and it is not really true. [General laughter.]

Anyway, I want to get back on the point. So, I was being a wise guy then, but I am not being a wise guy now, when I try to identify who is the person that finally hands the President that position and says, we will trade—if it were a position, 100 MX's or 1,000 MX warheads for 5,300 or whatever it was SS–18's and SS–19's. Who would be the guy to hand that to the President to get the President to sign off?

MR. DAM. Well, let us retrace the process a little bit. You have this interagency group which meets. It meets under the chairmanship of an officer of the Department of State.

SENATOR BIDEN. And who would that be?

MR. DAM. That is Admiral Jon Howe. Normally, the State Department would prepare the options papers, but everybody will read them. It is all cleared on an interagency basis, so it is an agreed paper. It is transmitted to the President through the National Security Council staff.

SENATOR BIDEN. And who is that? That is Clark?

MR. DAM. Judge Clark. Mr. McFarlane. There are other people over there. Mr. Lehman, who is an expert on arms control. They are all there. Who actually hands it to him I do not happen to know. I do happen to know that other people speak to the President privately about these matters, the Secretary of State, the Secretary of Defense. I am sure that on occasion the Chiefs have met with the President of the United States.

I do not put as much importance on that question, perhaps, as you do, though I obviously understand that it is of some importance. Let me remind you that the staff of the President has been chosen by the President because he has confidence in his staff, and so they do what he wants them to do.

SENATOR BIDEN. I understand that dilemma. Though you may not view it as a dilemma, I view it as a dilemma. My concern is this. For example, this committee would be considerably less active on this issue, in my view, if we thought the relationship on arms control questions, and I know my time is up—Senator Boschwitz, do you mind if I keep going?

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[54] See footnote 51 above.
[55] All brackets are in the source text.

SENATOR BOSCHWITZ [presiding]. I know that we have a vote on, Senator, and I would like to say a word or two to the Secretary privately before he leaves.

SENATOR BIDEN. OK. Well, if in fact we knew that the relationship on arms control issues between the Secretary of State and the President was like it was with Ford and Kissinger, or like it was with Kissinger and Nixon, you would find concern up at this end of the Hill being dissipated a great deal.

Our concern, to be very blunt, is that the people the President has reposed his confidence in do not have a lot of knowledge about arms control on the one hand, or have a long track record of believing that arms control is counterproductive. Judge Clark came to the job—maybe he is such a quick learner, but he came to the job with as much knowledge about arms control as I did when I was an undergraduate at the University of Delaware in 1960, and I believe I probably knew more then than he.

Now, you know my views about Judge Clark. I think he is a fine guy, but his promise to us when he was confirmed was, do not worry, I will not be making policy. I am paraphrasing what he said in the record. It was, do not worry, I am not going to be making policy. That was reassuring to 99 percent of us.

Our concern now is that he is playing a big role in making policy. So that is why I have pursued this with such detail. I am not sure even if your answer were different from what you gave me, I am not sure you could sit there and say, well, it is true, the most influential man on arms control with the President is Judge Clark, or the Secretary of State.

Do you believe the Secretary of State to be the most influential man with the President on arms control? Do you believe that man to be the Secretary of State? And I will not ask you who it is if it is not him.

MR. DAM. Well, I do believe so, and I believe so particularly because I believe that arms control is part of our overall relationship with the Soviet Union, and I do believe that the Secretary of State is certainly the dominant figure in developing that policy. Let me say this. I am a great admirer of Judge Clark, but I do not think it makes any difference. I think you ought to judge by what you think of the positions.

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Document 45

Transcript of the Department of State Daily Press Briefing, August 19, 1983 (Extracts) [56]

Andropov's Anti-Satellite Weapons Proposal to U.S. Senators in Moscow

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Q. Is the United States going ahead with the development of the antisatellite weapons, or has that been altered in any way by Andropov's proposal yesterday? [57]

A. I think we addressed this yesterday. I guess you weren't here.

Q. You said you were going to carefully study it, but apparently a test is scheduled. Will that test be cancelled or delayed?

A. I guess you would have to ask the appropriate agencies on that. I think I could give you some further words on the pro-

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[56] Source: Office of Press Relations, Department of State. Alan Romberg, Acting Department of State Spokesman, conducted the briefing which began at 12:24 p.m.

[57] Reference is to a meeting between Andropov and eight U.S. Senators at the Kremlin on August 18. At the meeting, Andropov offered a unilateral moratorium on anti-satellite weapons in space and proposed a new treaty on space weapons that included for the first time the dismantling of systems now in existence. The report of the Senate delegation, which visited the Soviet Union between August 17 and 28, and was headed by Senator Claiborne Pell, included transcripts of all official statements and the text of the draft treaty. For text of the report, see *Dangerous Stalemate: Superpower Relations in Autumn 1983: A Report of a Delegation of Eight Senators to the Soviet Union to the United States Senate, Ninety-eighth Congress, First Session, Senate Document 98–16* (Washington, September 1983).

posal yesterday, but I don't—let me just give you what I've got.

Because of its ambiguous language, the precise proposal is not clear. For example, Mr. Andropov is quoted as saying the Soviets "will not be the first to put anti-satellite weapons in space." However, the Soviets have tested their ASAT system in space repeatedly, and it's been operational for about a dozen years.

Part of the proposal is similar to their 1981 draft treaty submitted at the United Nations [58] and suffers from the same problems. For example, it is not clear about the definition of the weapon, and there are no provisions for verification.

Their proposed moratorium on ASAT activities is new, but also suffers from problems. These include unilateral advantage to the Soviets, who have an operational system, and verification.

With regard to the problems of verification, there's also the difficulty of verifying effectively the dismantling and destruction of the operational Soviet ASAT system.

First, the system is relatively small. It's fitted into a Soviet space booster used for other space launch missions. We don't know how many such ASAT systems have been manufactured and it would be relatively easy for the Soviets to maintain a covert supply of interceptors for use in a crisis.

Second, since satellites which serve U.S. and allied national security are very few in number, any Soviet cheating on an ASAT agreement, even on a small scale, could pose a prohibitive risk.

. . . . . .

Q. Back on the—I'm puzzled about the Andropov proposal. Since neither antisatellite system, either side, is supposed to be stationed in space, rather acquired from the ground, is he not perhaps opening up a new pathway to negotiate on the so-called Star Wars permanent orbiting systems that the President has suggested? [59]

A. I can't tell you what he has specifically in mind. Obviously, there are existing mechanisms for discussing these other than through visitors. And as I said yesterday, we would seriously consider any serious proposal, but I don't have any new words on that.

Q. Are you actually saying that the President would seriously consider proposals on the space-based laser initiative? He announced that last March 23, and in the following weeks the statements that he and the Secretary made were quite—

A. That program, of course, is in a stage where we're talking about design and engineering and experimenting, and things like that. Any serious ideas the Soviets have on any of these issues, obviously we're willing to discuss. We said we wanted to discuss this idea with them in fact. The President made that quite clear.

Q. That was not to not develop these things; that was to discuss with the Soviets a sort of joint competition in development.

A. We would hope they would want to discuss what we had in mind as well as what they had.

Q. Could I ask you one other thing? Have you asked them for clarification?

A. No.

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[58] See *American Foreign Policy: Current Documents, 1982*, p. 176.

[59] See document 13.

Document 46

Prepared Statement by the Ambassador at Large and the Secretary of State's Special Adviser on Nonproliferation Policy and Nuclear Energy Affairs (Kennedy) Before the Senate Foreign Relations Committee and a Subcommittee of the Senate Governmental Affairs Committee, September 30, 1983 [60]

U.S. Nonproliferation Efforts and Policies

I welcome the opportunity to meet with you today to discuss the Administration's program for preventing the spread of nuclear weapons. It has been about a year since we have had an oversight hearing on this important issue before your committees. [61] You have invited me to discuss a number of very significant topics, including the International Atomic Energy Agency, the question of spare parts for the Tarapur reactors in India, recent discussions we have had with the Soviet Union, the People's Republic of China, Argentina, and Brazil, our plutonium use policy and the status of negotiations with EURATOM and Japan, the Hexapartite Safeguards Agreement, and the impact of the Supreme Court's *Chadha* decision. These are very significant issues and I will attempt to cover each of them in this statement.

As you may recall, in a previous appearance before you, I outlined the responsibilities and organizational relationships in the non-proliferation area—relationships which were contemplated by the President and Secretary Shultz when nominating me as Ambassador at Large with responsibility for non-proliferation matters. In that role I coordinate the efforts of the executive branch and act as the Special Representative of the Secretary and the President in discussions and negotiations with other countries on nonproliferation. I am pleased to note that over the past many months, these organizational relationships have worked well and have provided an increasingly cohesive approach to a complex, difficult and vital task. In particular, I want to express my admiration and appreciation for the excellent work done by the staff in the Bureau of Oceans, International Environmental and Scientific Affairs of the State Department, and indeed by all of the various bureaus of the Department which contribute to a fully coordinated effort. I also want to note the effective contributions of the Arms Control and Disarmament Agency, Department of Energy, and Department of Defense, who work together with us in support of the effort. They contributed greatly to the progress which we have made. And, of course, the Nuclear Regulatory Commission continues its important export licensing role, as well as assisting other nations with their own nuclear regulation activities. Through this effective coordinated relationship, we have been able to focus attention on the problem of proliferation, as we believe the Congress had intended.

All of our non-proliferation efforts, of course, are conducted under the guidelines provided by the President in his statement of July 16, 1981. [62] In that statement, the President laid out seven basic guidelines. They are:

1. The United States will seek to prevent the spread of nuclear explosives to additional countries as a fundamental national security and foreign policy objective.

2. The United States will strive to reduce the motivation for acquiring nuclear explosives by working to improve regional and global stability and to promote understanding of the legitimate security concerns of other states.

3. The United States will continue to support adherence to the Treaty on the Non-Proliferation of Nuclear Weapons and to the Treaty for the Prohibition of Nuclear Weapons in Latin America (Treaty of Tlatelolco) [63] by countries that have not accepted those treaties.

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[60] Source: *Nuclear Non-Proliferation Act: Joint Hearing Before the Committee on Foreign Relations and the Subcommittee on Energy, Nuclear Proliferation and Government Processes of the Committee on Governmental Affairs, United States Senate, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 38–47.

[61] See *American Foreign Policy: Current Documents, 1982*, p. 142 for Kennedy's statement in 1982 before the same subcommittee. At that time, he served the Department of State as Under Secretary for Management, with responsibilities for overseeing Department of State policy on nuclear nonproliferation.

[62] For the President's statement, see *ibid., 1981*, pp. 171–172.

[63] For an English text of the treaty, see 22 UST 762. The United States is not a party to it.

4. The United States will view a material violation of these treaties or an international safeguards agreement as having profound consequences for international order and United States bilateral relations, and also view any nuclear explosion by a non-nuclear-weapon state with grave concern.

5. The United States will strongly support and continue to work with other nations to strengthen the International Atomic Energy Agency to provide for an improved international safeguards regime.

6. The United States will seek to work more effectively with other countries to forge agreement on measures for combatting the risks of proliferation.

7. The United States will continue to inhibit the transfer of sensitive nuclear material, equipment and technology, particularly where the danger of proliferation demands, and to seek agreement on requiring IAEA safeguards on all nuclear activities in a non-nuclear-weapon state as a condition for any significant new nuclear supply commitment.

Mr. Chairman, I would appreciate it if the President's statement could be appended to my statement for inclusion in the record.

To these guidelines, Mr. Chairman, I would like to add one additional concept which underlies our policy and which I have asserted in numerous fora—that is, that the United States will never allow its nonproliferation objectives to be undercut for commercial gain. Our policy is to put in place the most effective nonproliferation regime which we, in combination with other concerned nations, can achieve.

I would now like first to bring you up to date on several important events which have taken place since we last met and then turn to the specific areas which you asked me to address.

President Reagan's Comprehensive Safeguards Initiative

U.S. law requires IAEA safeguards on all existing nuclear activities in the recipient non-nuclear weapons state as a condition for major U.S. nuclear exports. President Reagan has called upon all supplier states to require comprehensive safeguards for their own exports. Our objective must be the establishment of agreed norms which all suppliers will honor. We have pursued this objective through bilateral consultations in capitals and in a number of discussions in Washington. These discussions will continue.

Additional Parties to the Non-Proliferation Treaty

The United States strongly supports universal adherence to the Nuclear Non-Proliferation Treaty (NPT). The administration continues active diplomatic efforts to encourage countries not yet party to the Treaty to ratify this central instrument of the international non-proliferation regime. During 1982, four additional states became parties—Papua New Guinea, Nauru, the Socialist Republic of Vietnam and Uganda. There are now more than 115 states which are parties to the NPT, making it the most widely accepted multilateral arms control agreement. We also are taking steps to encourage implementation of the Treaty of Tlatelolco.

New Bilateral Agreements for Cooperation in the Peaceful Uses of Atomic Energy

As you know, section 404 of the Nuclear Non-Proliferation Act of 1978 requires that the United States seek to renegotiate Agreements of Cooperation under section 123 of the Atomic Energy Act of 1954.[64] We have renegotiated our agreement with the IAEA, entered into force May 6, 1980; Canada entered into force July 9, 1980; Australia entered into force January 16, 1981; and Columbia (not yet in force). We anticipate that revised agreements with Norway and Sweden will be submitted to the Congress in the near future. We have also concluded new agreements of cooperation with several nations: Morocco (entered into force May 16, 1981), Bangladesh (entered into force June 12, 1982), Peru (entered into force April 15, 1982), Indonesia (entered into force December 30, 1981), and Egypt (entered into force December 29, 1981).

Bilateral Consultations

During the past year, U.S. officials have consulted with more than a dozen countries in Europe, Latin America and Asia on how to pursue more effectively our common goal of preventing proliferation. In these talks, we have paid specific atten-

[64] P.L. 83-703, approved August 30, 1954; for text, see 68 Stat. 919.

tion to improving nuclear export controls, including the difficult task of controlling "dual use" commodities—items which have both conventional and potential nuclear uses. These meetings have helped others to understand our policies and have contributed significantly to an improved non-proliferation regime.

Improvement of U.S. Nuclear Export Regulations

On February 4, 1983, the Department of Energy issued revised and strengthened regulations which serve to control the transfer of unclassified and unpublished nuclear technology, the "Part 810" regulations.

U.S. Reprocessing of Research Reactor Fuel

The Department of Energy extended through 1987 its policy of receiving and making financial settlement for U.S.-origin spent fuels from research reactors. This policy applies to highly enriched uranium fuels which raise proliferation concerns because of their potential use in nuclear explosives.

Implementation of Voluntary Safeguards Offer

The United States voluntary offer, made several years ago, to accept safeguards on civil nuclear facilities entered into force during 1980. Under this offer, four U.S. facilities were selected by the IAEA for the application of safeguards, and in 1982, the detailed arrangements under which they are now being safeguarded were brought into force. The most significant of these four is the Exxon fuel fabrication plant where valuable experience has been gained in the effective implementation of safeguards.

Nuclear Export Alerts

Steps to make it more difficult technically for a sensitive country to acquire particular equipment or materials in pursuit of a nuclear weapons capability can buy time for other initiatives to reduce its motivations to acquire those weapons. The United States has worked in close and frequent consultation with other supplier states to shut off specific export transactions of proliferation concern. During the 1982 calendar year, approximately 100 such export alerts were pursued and about 50 have been issued so far this year.

Assistance to Non-Nuclear Weapon States in Spent Fuel Storage and Disposal

Under section 223 of the Nuclear Waste Policy Act of 1982,[65] a *Federal Register* notice has been published offering to augment U.S. international cooperative arrangements in the area of spent fuel storage and disposal. Non-nuclear weapon states were contacted through diplomatic channels to solicit expressions of interest. The United States was the host for a major IAEA international conference on radioactive waste management in Seattle, Washington, in May 1983.

Emerging Suppliers

A potential problem which the administration has begun to address is the expansion in the number of nations capable of exporting nuclear materials, equipment and technology. Consultations with other nations have been directed toward alerting these new suppliers to the need for effective controls on their nuclear trade to assure that it is not misused for explosives developments, thereby undermining the current system of nuclear supplier guidelines.

Ratification of Physical Security Convention

President Reagan sought and obtained enactment of domestic legislation making certain acts involving nuclear materials serious Federal crimes. This law implements certain provisions in the Convention on the Physical Protection of Nuclear Material.[66] In late 1982, the United States ratified this Convention, a major step in dealing with threats of nuclear terrorism and proliferation. The administration also remains committed in its efforts to work with other countries to assure the adequacy of physical security measures, especially where nuclear materials of U.S.-origin are involved.

Now, Mr. Chairman, let me address the specific items you mentioned in your letter of August 4.

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[65] P.L. 97-425, approved January 7, 1983; for text, see 96 Stat. 2201.

[66] P.L. 97-351, approved October 18, 1982; for text, see 96 Stat. 1663. For text of the Convention, adopted in Vienna on October 26, 1979, and signed by the United States on March 3, 1980, see Executive H, United States Senate, Ninety-sixth Congress, Second Session.

Chadha Decision and the Legislative Veto [67]

Various provisions of the Atomic Energy Act as amended by the Nuclear Non-Proliferation Act of 1978 have provided for a legislative veto by the Congress of Presidential determinations to permit nuclear exports. Basically, these statutory provisions contain three distinct elements. First, they establish very strict and specific standards which limit the export of nuclear items. Second, they authorize the President to waive certain restrictions and permit exports if he makes certain findings. There are also requirements that such waivers and findings be reported to the Congress within a specified waiting period before those actions may become effective. The third was the legislative veto.

The Department of State made its position clear on this issue last July when Deputy Secretary Dam testified before this Committee and at a hearing before the House Foreign Affairs Committee. [68] Secretary Dam testified that the Department of State considers that those standards and that waiver authority, as well as the statutory requirement of notification to Congress and the observance of a waiting period, continue to be valid. We will continue to wait through the period during which the Congress, in the past, deliberated over its veto. During that time, the Congress may use its constitutional authority to enact new legislation if it chooses. The only provision that is invalid is the third, which permitted a legislative veto by concurrent resolution.

Secretary Dam emphasized last July, and I reiterate today, that neither the Department nor the administration intends to take advantage of the situation created by the *Chadha* decision to take any action which would disturb the relationship of cooperation and collaboration we have developed with the Congress over the years in the area of nuclear non-proliferation. We intend to continue consulting regularly with the Congress and its committees and taking your counsel and advice into account in reaching important decisions. Our commitment to that spirit of cooperation is strengthened rather than diminished by the *Chadha* decision. As Secretary Dam said last July:

> "If anything, I believe *Chadha* will make the departments and agencies of the executive branch more, not less, conscious that they are accountable for their actions."

Spare Parts for the Tarapur Reactors in India

With regard to India's Tarapur Atomic Power Station, the Government of India is seeking to obtain from the United States and other countries spare parts for the Tarapur reactors, which were designed and built by U.S. companies. India considers the continued operation of this facility, which is subject to IAEA safeguards, as vital to meet its electric power needs. The parts it seeks are important to furthering the safe operation of the plant. We are principally concerned with the health and safety of individuals working at the Tarapur facility and those living nearby.

It was in these circumstances that Secretary Shultz informed the Government of India during his recent visit to New Delhi [69] that the President would be prepared to take measures designed to ensure the availability from the United States of required parts that could not be supplied from other sources.

Notwithstanding the significant health and safety aspect involved, the steps which have been taken so far in this matter—and the steps we will take in the future—will be with full and careful attention to the nonproliferation considerations involved, both from the standpoint of our overall policy and that policy vis-à-vis India.

To date, we have not been able to determine whether all of the required parts will be available from non-U.S. sources.

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[67] Reference is to the case of *Immigration and Naturalization Service v. Chadha et al.*, in which the Supreme Court ruled on June 23, 1983, that at least one form of legislative veto is unconstitutional. Legislative vetoes are provisions in some statutes that authorize Congress to take direct action on executive branch administration of the law.

[68] For Dam's statements and testimony, see *Legislative Veto: Arms Export Control Act: Hearings Before the Committee on Foreign Relations, United States Senate, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 13–35; and *U.S. Supreme Court Decision Concerning the Legislative Veto: Hearings Before the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 66–110.

[69] Secretary Shultz visited India, June 30–July 2, during an official working visit to East and South Asia and the Middle East, June 23–July 8, 1983.

Discussions between India and potential non-U.S. suppliers are continuing.

Discussions With the People's Republic of China

Over the course of the last several years, the People's Republic of China has developed plans for an ambitious program for the installation of a substantial number of nuclear power stations in those areas of the country where coal and hydroelectric resources are not available. Those plans call for the importing of the initial plants and, at the same time, the acquisition of the technology and the facilities to permit China's industry to manufacture much of the equipment required for the later plants.

The Chinese authorities have expressed an interest in obtaining the services of experienced U.S. firms in implementing that program. Accordingly, since 1981, the possibility of a bilateral agreement for cooperation in the peaceful uses of atomic energy, as required by the Atomic Energy Act for significant exports of the kind that would be sought by the PRC, has been discussed with China. This administration believes that, under appropriate conditions, such cooperation would be in the interest of the United States. Conclusion of an agreement for cooperation within the terms of the Atomic Energy Act would demonstrate the readiness of the United States to expand its relationship with the PRC in areas of mutual interest and could lead to cooperation in other areas, as well. It would also provide additional opportunities to encourage China to adopt nonproliferation policies including those related to its exports of nuclear materials, equipment and technologies—policies which would be consistent with those which have been developed and adopted by the major suppliers.

The most recent discussions with the Chinese authorities took place in July, when a delegation visited Washington at the invitation of Secretary Shultz. In those discussions, nonproliferation matters were addressed extensively. Overall, good progress was made in clarifying the views of both sides. At that time, we were told that the PRC was considering joining the International Atomic Energy Agency. Since then, Director General Blix has visited Beijing to discuss PRC's interest in membership and, just recently, its formal application has been submitted. We welcome this action by the PRC as an indication of its intention to play a constructive role in non-proliferation and international cooperation in the peaceful uses of atomic energy.

Within the next few days, I will lead a delegation to Beijing to continue the discussions with the PRC. We will seek to confirm that we share the same basic principles regarding nonproliferation as a basis for further discussion of possible cooperation.

Bilateral Discussions With the Soviet Union

The United States and the U.S.S.R. have held two rounds of bilateral meetings on a broad range of nonproliferation issues. The first session was in Washington between December 15–17 last year and the second took place in Moscow, this June 14–16. I headed the U.S. delegation at both sessions, and the Soviet side was headed in December by Ivan Morozov, until recently Deputy Chairman of the State Committee on the Utilization of Atomic Energy, and in June by A.M. Petrosyants, Chairman of the State Committee. The talks during both rounds were frank and positive, with a very constructive exchange of views.

The discussions were divided into plenary and working group sessions. In the plenary, a wide range of issues was covered. These included prospects for strengthening the international nonproliferation regime, assuring the safe development of nuclear energy, and encouraging additional countries to sign and ratify the NPT and the newly established Convention for the Physical Security of Nuclear Materials. Discussions also took place on ways to strengthen the IAEA, and on preparations for the third review conference for the Nuclear Non-Proliferation Treaty to be held in 1985.

Working groups held detailed discussions on specific issues, such as export controls and multilateral issues, including the IAEA and its safeguards system.

The two sides agreed that the IAEA safeguards system was crucial to the success of the international nuclear nonproliferation regime. They agreed to take steps to try to strengthen that system, and also agreed that other IAEA-sponsored activities, such as the work of the Committee on Assurances of Supply and Technical Assistance and Cooperation activities, should also be strongly supported. The Soviets expressed support for the concept

of comprehensive safeguards, as recently proposed by the President, but believe the policy cannot be effective until all major suppliers adopt it.

On export issues, it was clear that the United States and the Soviets share the view that meaningful controls over nuclear exports can make a significant contribution to achieving our nonproliferation goals. The need to insure that controls evolve in respect to technological change and the spread of nuclear capabilities was dealt with in some detail. The Soviets also agreed with us that it will be important for emerging new suppliers to apply meaningful export controls and adopt standards equivalent to those in the current international nonproliferation regime.

The two rounds of discussions and the accompanying exchange of views with the Soviets on nonproliferation issues have made a useful contribution to our efforts to restrain the spread of nuclear explosives.

EURATOM and Japan Negotiations—Plutonium Use

Regarding the EURATOM and Japan negotiations on plutonium use, you may recall that in September 1982 I testified before the Subcommittee on Energy, Nuclear Proliferation and Government Processes of the Committee on Governmental Affairs on the policy decisions made by the President in June 1982 on these matters.[70] At that time, the President decided on a new approach to give our close allies in EURATOM and Japan a firmer and more predictable basis upon which to plan their vital energy programs while at the same time furthering our non-proliferation objectives, including strengthened controls over civil plutonium.

At that time, I reported that the United States was offering Japan and the countries of EURATOM new, long-term arrangements for implementation of United States consent rights over the reprocessing and use of materials subject to our agreements for peaceful nuclear cooperation. This advance, long-term approval would apply only to facilities and activities which we determine meet our strict statutory criteria. The United States would be prepared to state its intention to consent to other facilities and activities in these programs when we have sufficient information about them to make the necessary determinations under our law. Finally, I noted that these offers were being made in the context of seeking new or amended peaceful nuclear cooperation agreements with Japan and EURATOM and that the approvals would be valid only as long as the conditions provided in the agreement, including nonproliferation and statutory conditions, continued to be met. Our willingness to take these steps presumed a continuing strong commitment of these countries to our common nonproliferation efforts and to developing and implementing more effective controls over plutonium.

We have provided detailed proposals on this subject to the Government of Japan, and in the last year have had seven negotiating sessions with the Japanese, both in Washington and Tokyo, in an effort to reach agreement both on the long-term arrangement for plutonium use and on the peaceful nuclear cooperation agreement. I can report to you that we have made significant progress in a number of areas, but that there are important matters that remain to be resolved as well. As the substance of these issues is under negotiation between the two governments, I cannot go into the details in open session. I can say, however, that both sides continue serious and intense efforts to find solutions and approaches that will permit them to reach agreement at an early date. As I have always done, I will keep the Congress briefed on significant developments.

Progress with EURATOM is slower. This is understandable, since negotiations with EURATOM are complex by their nature, given the institutional arrangements that apply within the European Community, and the need for the EC Commission to consult with Member States. I can report that we provided the Community with details of our new proposals last spring. The Commission requested time to study those proposals and to consult informally with Member States. This month we have just received a number of detailed questions concerning our proposals, and we would anticipate early talks with the Commission to clarify

[70] For Kennedy's testimony, see *Plutonium Use Policy: Hearings Before the Subcommittee on Energy, Nuclear Proliferation and Government Processes of the Committee on Governmental Affairs, United States Senate, Ninety-seventh Congress, Second Session* (Washington, 1983), pp. 2–45.

our proposals and to agree on how to proceed thereafter.

Trigger List Upgrade

You have requested an update on our efforts to improve international guidelines for controlling exports which could be used for nuclear explosives development. As you know, there are two internationally agreed trigger lists adopted by nuclear suppliers in the mid-1970's to control their export activities. They are called "trigger lists" because the export of any listed item triggers the application of safeguards on that item. The first list is linked to the Non-Proliferation Treaty, which requires safeguards on items "especially designed or prepared" for the processing or production of fissionable material. This list is implemented through the 21-member NPT Exporters Committee—also called the Zangger Committee, after its Swiss chairman. In addition to the Zangger List, there is a substantially identical trigger list not linked to the NPT, but which was implemented through the informal Nuclear Suppliers Group [71]—often referred to as the London Group because it initially met in the United Kingdom.

Both these lists have been extremely important for the effort to control sensitive nuclear exports to countries of proliferation risk. Over the past few years, however, it has become clear to us, and several other suppliers, that it would be useful to further refine and clarify the lists, in response to technological developments and the spread of nuclear capabilities to additional nations.

I am pleased to report that substantial progress has been made on this initiative. We have made a commitment to other participating governments that the detailed status of the negotiations would remain confidential until administrative arrangements can be completed. This will take a few months. I would be pleased to go into specifics with you or members of your staff in closed session; however, I can make a few comments in open session which give a general picture of our approach and the progress achieved so far.

First, we have decided to approach the trigger list upgrade on a technology-by-technology basis. We have begun the discussions of each process on a technical basis, with a small group of the key technology holders in that field. Once a technical consensus has been achieved on what refinements in the trigger list are necessary, the discussions have been expanded to other nations. The additional nations may not be centrally involved with the industrial applications of a particular technology, however, they may nonetheless be able to export certain items related to that process. Therefore, the participation of such non-technology holders is important, if the control regime is to be effective.

We began our efforts over a year ago with the gas centrifuge uranium enrichment process, because of its sensitivity and the interest being shown in the process by nations of proliferation concern. After much effort, we are near final agreement on a revised trigger list for this technology. We are making good progress on other sensitive nuclear processes, but it will take sustained effort to achieve broad agreement on the range of technologies which must be considered.

In concluding my remarks on this subject I would like to emphasize two points. First, we regard this important initiative as fully consistent with our nonproliferation obligations under Article III of the NPT and other commitments we have undertaken in the Nuclear Suppliers Group. The NSG guidelines recognize that periodic review and updating of the trigger lists may be necessary to assure that they remain effective. We are committed to this process of continuing review. Second, implementing strict nonproliferation controls and revising them periodically is not an exercise in technology denial, as some have charged. If nuclear power is to play a role in meeting the world's energy needs, world public opinion must be assured that this technology will not be diverted from its intended peaceful purposes to explosives development. Our export control system plays a key role in providing that assurance. Therefore, all nations have a stake in a non-proliferation regime which clearly demonstrates that nuclear technology will not be misused, a regime which adjusts to meet changed circumstances—whether technical or political.

[71] The Nuclear Suppliers' Group, formed in 1975, initially consisted of 7 members and subsequently expanded to 15 members. The members are the leading suppliers of nuclear technology to the rest of the world.

Hexapartite Safeguards Project

As you may know, we have recently concluded an important international effort to strengthen IAEA safeguards. In this effort, known as the Hexapartite Safeguards Project, or HSP, the countries which have developed gas centrifuge uranium enrichment technology assisted the IAEA inspectorate (and the EURATOM inspectorate) in the development of a safeguards approach for enrichment plants using this new technology.

Several years ago several countries had developed gas centrifuge enrichment technology to the point where they began to build demonstration or commercial scale plants and, pursuant to their NPT obligations, make these plants available for IAEA safeguards. The IAEA at that time had no experience safeguarding gas centrifuge enrichment plants (or any other type of enrichment plant, all of which had been located in nuclear weapons states). At the urging of the United States, a special international project was established, comprising technical experts from the six countries that have this technology, and from the safeguards inspectorates of the IAEA and EURATOM. During the next two and one-half years these experts developed a safeguards approach that provides effective safeguards while properly protecting the technology.

In April of this year, the project was concluded and the six technology holders undertook, in an exchange of diplomatic notes in Vienna, to permit the implementation of international safeguards based on the limited frequency unannounced access approach at their existing and planned commercial gas centrifuge uranium enrichment plant. Four of the project participants have gas centrifuge enrichment plants in operation or under construction. The operating plants include the two URENCO facilities at Almelo in the Netherlands and at Capenhurst in the United Kingdom, and the Japanese pilot plant at Ningyo Toge. In the United States, the Department of Energy's Gas Centrifuge Enrichment Plant, known as GCEP, is currently under construction, and is expected to begin recycle operations in the summer of 1984, with actual production for late summer of 1985.

We understand that the facility attachment negotiations for the Dutch and Japanese plants will be begun in the near future. The United Kingdom has listed its Capenhurst plant as eligible for IAEA safeguards under the U.K. voluntary offer, the IAEA has selected this plant for safeguards, and facility attachment negotiations are also expected to begin in the near future.

For our part, following the exchange of notes, we immediately took steps to place GCEP on the list of facilities eligible for safeguards under the U.S. voluntary offer, as required by our commitment in that offer to make available for safeguards all U.S. facilities deemed not to be of direct national security significance. Following notification to Congress, the IAEA was informed that GCEP was eligible for selection for safeguards, and the IAEA was invited to participate in a facility orientation visit to GCEP. At the end of July, the IAEA formally selected GCEP for safeguards, and the first IAEA inspection was conducted in early August, as the first small quantity of nuclear material was brought onto the site. The IAEA team responsible for negotiating facility attachments for all gas centrifuge enrichment plants was given a special orientation briefing and tour of the facility at this time. Once plant construction is sufficiently advanced, we will provide the appropriate design information to the IAEA and initiate facility attachment negotiations. We expect to provide the design information sometime around the first of next year.

To summarize then, all the HSP participants are currently engaged in the implementation of their respective undertakings, as made at the conclusion of the project. We fully expect that by the time that the facility attachment for GCEP is completed and enters into force, that the other parties will have completed similar arrangements with respect to their existing gas centrifuge enrichment plants.

Reestablishing Dialogue—Brazil and Argentina

A key element in our non-proliferation efforts has been to reestablish or strengthen a dialogue on nuclear cooperation and nonproliferation matters with states where such dialogue may have languished. This effort is perhaps best exemplified in the cases of Brazil and Argentina. For several years our relations with these two countries in the nuclear area were severely strained. The export of nuclear fuel and facilities to these countries had been prohibited by the NNPA unless full scope

safeguards were adopted, and each country has indigenously developed nuclear facilities which have not been admitted to safeguards. Both countries have declined to sign the NPT, although both have signed, but not brought into force, the Treaty of Tlatelolco.

We have stressed to both Brazil and Argentina the importance of the NPT, the benefits of full adherence to IAEA safeguards, and we have urged both countries to waive into force the Treaty of Tlatelolco. We have urged both to strengthen their support for the IAEA and its safeguards programs. Meanwhile, we believe it important to carry on a dialogue on nuclear matters with those countries so that we can create a stronger sense of mutual confidence and an informed understanding of each other's nonproliferation concerns and objectives. In this respect, the administration is looking to limited nuclear cooperation in the area of nuclear safety and waste management, consistent with the Atomic Energy Act, while engaging these countries in renewed discussions regarding our nonproliferation goals.

Our discussions with Brazil have taken place under the aegis of the United States/Brazil Joint Working Group which was established jointly by President Reagan and President Figueiredo, following President Reagan's trip to Brazil last winter. The Working Group was tasked with exploring bilateral problem areas and exploring new opportunities for cooperation. Five subgroups were established, one of which dealt with nuclear matters.

Last May, I led a U.S. delegation for the first meeting of the nuclear subgroup in Brasilia. At that time we outlined potential areas of nuclear cooperation, and also had a full discussion of non-proliferation matters, including the importance of controls over nuclear exports and adherence to the Treaty of Tlatelolco. Significantly, the Brazilian side stressed that by virtue of signing the Treaty of Tlatelolco, Brazil considered itself legally and morally bound by its principles even though the Treaty was not yet in force.

The United States/Brazil nuclear subgroup met again in Washington in August and agreed to pursue a number of areas of nuclear cooperation, including nuclear safety, spent fuel and waste management, and reduced enrichment for research and test reactors. The meeting also afforded the opportunity to discuss President Reagan's initiatives on comprehensive safeguards and a series of non-proliferation and multilateral issues, including reducing politicization in the IAEA, the IAEA Committee on Assurances of Supply, and the prospects for an international plutonium storage regime (IPS). We also discussed the United States/Brazil enrichment services contract. We have been unable to complete our side of the contract in the existing circumstances because we cannot export the enriched product to Brazil given the limits of the Non-Proliferation Act. Accordingly, the United States and Brazil agreed that it would be in their mutual interest to suspend indefinitely the contract, as to which we had already suspended the first reload. We will continue discussions with Brazil concerning safeguards matters, and would hope that a situation could be developed which would permit reinstating the fuel supply contract. We believe that the working group meetings were highly successful and have led to a renewed spirit of cooperation between the United States and Brazil. For our part, we will be continuing these contacts, taking the opportunities to discuss with Brazil our nonproliferation concerns.

Argentina has presented a similar situation for many years. Our relations in the nuclear area have been strained and it has been difficult to find opportunities to pursue our nonproliferation objectives with the Government of Argentina. For this reason, the Administration is also working to regain a dialogue with Argentina—a dialogue which would encompass renewed discussion of our nonproliferation goals, while at the same time we seek areas where the United States and Argentina can cooperate, within the limits of our law.

During my trip to South America last May, I had extensive discussions with Admiral Castro Madero, the President of the Argentine Atomic Energy Commission. I stressed the importance of bringing into force the Treaty of Tlatelolco, the necessity of strengthening IAEA safeguards, the desirability of comprehensive safeguards, the need for emerging nuclear suppliers, such as Argentina, to follow agreed rules of nuclear trade, and the need to support and strengthen the IAEA. As in the case of Brazil, we discussed possible areas of nuclear cooperation between the United States and Argentina. Argentina has since followed up on our discussions and indicated an interest in pursuing cooperation

in nuclear safety, waste management and spent fuel technical assistance, systems of accounting and control, reduced enrichment for research and test reactors, and laboratory-to-laboratory exchanges. Over the next few weeks, we will be examining these possibilities with a view to further talks during the IAEA General Conference in October.

Again, I believe that our initiative toward a dialogue is proving productive. Our discussions were frank and cordial and, while differences of view are evident, our talks have shown that there is a considerable measure of agreement on the need for common efforts to prevent the spread of nuclear weapons.

South Africa

South Africa is another country with which we are reestablishing a dialogue on non-proliferation matters. In the absence of South Africa's acceptance of full scope safeguards, the United States has not permitted the export of significant nuclear materials or equipment to South Africa since 1978. Unfortunately, over the same period our discussions with South Africa on nonproliferation matters had languished.

During the past year, we have revived our discussions with South Africa across a broad range of safeguards and nonproliferation matters, including adherence to comprehensive safeguards and the NPT, strengthening the IAEA safeguards regime, and requiring safeguards on all significant nuclear fuel and facilities placed in international commerce. We have also taken the opportunity to stress to the South Africans the benefits of placing their enrichment facilities under IAEA safeguards. At the same time, we have also discussed the possibility of resolving our differences on the existing uranium enrichment services contract between South Africa and the U.S. Department of Energy.

We believe that South Africa recognizes the importance of safeguards, as they might apply to their semi-commercial enrichment facility. We also believe that South Africa understands the importance of safeguards on international nuclear commerce. As these discussions continue, I plan to keep the Congress fully and currently informed on any developments which may occur.

International Atomic Energy Agency

Since I last testified before the Committee, a great deal has occurred in the International Atomic Energy Agency (IAEA). As you are aware, we left last September's General Conference in protest against the illegal rejection of the credentials of the Israeli delegation. Since then, we have been pleased that our message to the IAEA membership seems to have been heard and heeded. Our extensive consultations with many members demonstrated that the great majority agreed with us on the need to reduce politicization in the IAEA. Following an extensive reassessment of U.S. participation in the IAEA, the President approved the resumption of U.S. participation and agreed that the IAEA safeguards system performs a critical role for U.S. national security, nonproliferation, and peaceful nuclear cooperation interests. Significantly, both the February and June meetings of the IAEA Board of Governors were businesslike and devoid of excess rhetoric or divisive dispute.

Thus, we are encouraged, Mr. Chairman, that the majority of the membership appears to agree that (1) the IAEA is a useful and worthwhile organization, (2) that extraneous political posturing and actions which threaten to destroy the IAEA are counterproductive, and (3) it is time to concentrate on the main objectives of the IAEA—to spread the benefits of peaceful nuclear technology under appropriate safeguards.

Nevertheless, I cannot claim that this year's General Conference will be totally free from problems. We will continue, however, to take strong measures to protect Israel's rights of membership in the IAEA to assert our view that the Agency must act in accord with the precepts of its statute and concentrate on its mandate to assure the benefits of the peaceful uses of nuclear energy with safeguards to guard against its misuse.

That concludes my formal statement, Mr. Chairman. I know that you and other Members of the Committees have a number of questions you wish to ask and I would be happy to respond to them at this time.

Document 47

Statement by President Reagan, October 4, 1983 [72]

New Initiatives in START Talks

Ladies and gentlemen, later today Ambassador Ed Rowny and the other members of the START delegation will depart for Geneva for the opening of the fifth round [73] of the Strategic Arms Reduction Talks. They will carry with them a new set of instructions. From the first day of these negotiations our highest goal has been to achieve a stable balance at reduced levels of nuclear arsenals. We want to reduce the weapons of war, pure and simple.

All of our efforts in both the START and the INF negotiations continue to be guided by that objective. Just this morning I repeated this commitment to President Carstens of the Federal Republic of Germany.[74] As I pledged to the United Nations,[75] the United States will accept any equitable, verifiable agreement that stabilizes forces at lower levels than currently exist. We want significant reductions, and that pledge stands.

In the last round of negotiations we proposed a number of new initiatives which were in harmony with the recommendations of the Presidential Commission on Strategic Forces and which provided additional flexibility to our negotiations. Those initiatives supported our basic goals and they also responded to a number of Soviet concerns.

I deeply regret that the Soviet Union has yet to give any significant response. Throughout the negotiating process it's the United States who's had to push, pull, probe, and prod in an effort to achieve any progress. The heartfelt desire shared by people everywhere for an historic agreement dramatically reducing nuclear weapons could and, indeed, will be achieved, provided one condition changes; the Soviet Government must start negotiating in good faith.

And let me emphasize that the United States has gone the extra mile. We've removed the dividing line between the two phases of our original proposal; everything is on the table. We're still most concerned about limits on the fast-flying, most dangerous systems, but we're also prepared to negotiate limits on bomber and air-launch cruise missile limits below Salt II levels. We've shown great flexibility in dealing with the destructive capability of ballistic missiles, including their throw-weight.

We've also relaxed our limits on the number of ballistic missiles. We've gone a very long way to address Soviet concerns but the Soviets have yet to take their first meaningful step to address ours, particularly in the INF talks, but also in START they've been stonewalling our proposals. When we proposed confidence-building measures that could be agreed to right now, they said wait. Apparently they believe that time is on their side, that they can exploit one democracy against another, and that their uncompromising attitude and delay will ultimately win out.

Well, We'll prove them wrong. The diversity of our democracies is a source of strength, not weakness. From free discussion among free people comes unity and commitment. The sooner this is understood, the sooner we'll reach an agreement in the interests of both sides. We'll continue to press Moscow for an equitable, fair, and verifiable agreement.

When the START negotiations resume tomorrow, the United States delegation will again have sustained flexibility. Within the framework of the basic principles that have guided us throughout the negotiations, I am directing Ambassador Rowny to offer the following new initiatives. We're incorporating into START a series of build-down proposals. The United States will introduce a proposal for a mutual, guaranteed build-down designed to encourage stabilizing systems. The proposal will include specific provisions for building down ballistic warheads and, con-

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[72] Source: White House Press Release, October 4, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, October 10, 1983, pp. 1387–1388. The President made the statement in the Rose Garden of the White House beginning at 2:22 p.m. before an audience that included members of the START negotiating team.

[73] Rowny's statement, after reporting to the President upon the completion of Round IV of the START talks on August 2, was issued as a White House Press Release, August 5, 1983.

[74] President Carstens visited the United States October 3–14, 1983.

[75] See document 4.

currently, for addressing a parallel build-down on bombers.

To discuss these major new initiatives, we will also propose the establishment of a U.S.-Soviet build-down working group in the Geneva talks. On another front, and in our effort, again, to be absolutely as flexible as possible, we will be willing to explore ways to further limit the size and capability of air-launch cruise missile forces in exchange for reciprocal Soviet flexibility on items of concern to us.

We seek limits on the destructive capability of missiles and recognize that the Soviet Union would seek limits on bombers in return. There will have to be trade offs and the United States is prepared to make them, so long as they result in a more stable balance of forces. The Soviet Union should not doubt the bipartisan support for our efforts.

During our review process I looked for ways to broaden America's bipartisan approach to our overall arms control effort. We've consulted with many members of the Congress and again with the commission headed by Brent Scowcroft. Their counsel has been invaluable and I want to thank them for their tireless efforts and helpful advice. A solid, national, bipartisan consensus sustained from year to year and from administration to administration is crucial if we are to keep America safe and secure and if we're to achieve successful arms reductions.

Therefore, I have decided to take a number of new steps. Among these are to designate a member of the Scowcroft Commission, James Woolsey, as a member-at-large to our START negotiations. These actions reflect America's democratic process at its best.

Ambassador Rowny, as you and your team depart for Geneva, you go with the certain knowledge that you're negotiating with the full support of the American people. Our bipartisan support is stronger than ever before and you carry with you fair, equitable proposals that are in the interest of both nations and all humankind.

It's fitting today to repeat what I said last week. The door to an agreement is open. All the world is waiting for the Soviet Union to walk through. Should the Soviet leadership decide to join us now in our good faith effort, the fifth round of these negotiations will be the one in which, finally, a breakthrough was made, and finally the world began to breathe a bit easier.

So, to the entire START delegation, Ambassador Rowny, good luck and Godspeed. (Applause)

Document 48

Statement by the Representative in the First Committee of the U.N. General Assembly (Fields), November 1, 1983 [76]

U.S. Views Regarding Prohibition of Chemical Weapons

Mr. Chairman,[77] In his statement of October 25, the representative of the Soviet Union dealt with the issue of chemical weapons and a number of other topics.[78] Today I would like to put forward the views of the United States regarding prohibition of chemical weapons. I may return to the other topics at a later time.

First of all, let me say that we can agree with the Soviet representative that, in concentrating our efforts on reducing nuclear weapons, we should not disregard the danger stemming from chemical weapons and other weapons of mass destruction.

The use of chemical weapons has long been viewed with revulsion by the Government and people of the United States—and indeed by all civilized nations of the world. The fundamental objective of U.S. policy in this area is to ensure that chemical weapons are never used. The most effective way to achieve this objective would be through a complete, effective and verifiable prohibition of chemical weapons, including destruction of existing stockpiles and production facilities.

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[76] Source: U.S. Mission to the United Nations Press Release USUN 113-(83). The press release is incorrectly dated October 1, 1983.

[77] The Chairman of the First Committee in the 38th Session of the U.N. General Assembly was Tom Eric Vraalsen of Norway.

[78] The text of the statement given by Soviet representative Petrovsky is in U.N. document A/C.1/38/PV.

Regrettably, for reasons I will develop later, such a prohibition has so far eluded us. Under these circumstances, we cannot ignore the fact that the Soviet Union possesses a formidable chemical weapons capability. Therefore, until an acceptable agreement is achieved, the United States must, unfortunately, possess a credible chemical weapons capability to maintain a stable balance and thereby deter a chemical attack.

The United States naturally must assess its needs in this field in the light of what has happened in years past. For a long period, the United States—in contrast to the Soviet Union—has refrained from steadily improving its chemical weapons capability. Since 1969, the United States has not produced a single chemical weapon. In fact, large quantities of these munitions have been destroyed. To our profound regret, the Soviet Union has not matched our unilateral action with similar restraint.

We therefore have no alternative but to take limited steps to modernize our chemical weapons capability. But we are continuing to exercise restraint. We will not seek to match the excessive stockpiles of the Soviet Union. Indeed, the U.S. stockpile will continue to decrease. We will not build a massive CW military organization on the Soviet model, nor do we plan to deploy additional stocks on the territory of other states. What we earnestly desire is the final elimination of these weapons once and for all.

The Soviet representative spoke as if the Soviet Union does not produce chemical weapons, does not store them in Eastern Europe or elsewhere outside its own territory and even as though the Soviet Union has no chemical weapons program at all. Does the Soviet representative believe that the secrecy which shrouds Soviet military programs enables him to persuade the world community that Soviet stockpiles are old, obsolete and deteriorated, and stored in caves in the deep interior of the Soviet Union?

Mr. Chairman, the Soviet representative chose to characterize the efforts of my government in seeking a chemical weapons ban as less than serious. He has even characterized the U.S.-sponsored workshop—on verification of destruction of chemical weapons stockpiles—as an "ostentatious" activity. In reference to our verification position, he has also accused us of setting up "artificial barriers" to progress and as "deliberately demanding unacceptable verification" to "cover our reluctance to eliminate chemical weapons."

These charges, Mr. Chairman, are patently untrue and the distinguished Soviet delegate should know that they are. He must certainly be aware of the serious effort put forth by the United States in negotiating a ban on chemical weapons in the Committee on Disarmament in its 1983 session. [79] The facts speak for themselves and no amount of misrepresentation or distortion can change them.

The U.S. commitment to the objective of a chemical weapons ban is a longstanding one. It has been affirmed at the highest level of the U.S. Government. Vice President Bush, when he spoke to the committee last February, urged accelerating the efforts toward the achievement of a complete, effective and verifiable ban on the development, production, stockpiling, and transfer of chemical weapons. Shortly thereafter, the United States introduced a comprehensive document containing our detailed views on the contents of such a chemical weapons ban. The document was welcomed in the CD as a major contribution to its work in this area.

To ensure that our views were understood we sought out various interested delegations to clarify our position and expand on the technical details. We followed these informal consultations with a more formal series of question and answer sessions. These sessions were also well received and appeared to be useful and productive.

Later we introduced a major paper focussing on the verification of stockpile destruction. The paper, which took into account specific concerns raised by the Soviet Union, was designed to facilitate resolution of key issues.

At the same time we brought in experts from the United States to extend the dialogue on our papers. Interested delegations participated in intensive discussions

[79] Reference is to the meetings of the U.N. Committee on Disarmament in Geneva. On February 4, 1983, Vice President Bush addressed the Committee and stressed the U.S. desire to establish serious arms reduction agreements, including the elimination of chemical weapons.

with our experts on all facets of our papers.

Realizing that there is no better demonstration of our approach to the verification of stockpile destruction than at the site itself, we invited our colleagues in the CD, together with representatives of observer states, to the United States chemical weapons destruction facility in Tooele, Utah.[80] Far from being an "ostentatious activity", as the Soviet representative alleges, the workshop is a serious effort to assist progress toward a prohibition of chemical weapons. It will provide an opportunity for a more detailed examination of the process of stockpile destruction and of possible procedures for monitoring compliance relevant to provisions in a CW ban. It is our hope that it will expedite the resolution of problems in the verification area by promoting clearer understanding of their technical dimensions and graphically to present workable solutions to them. We are gratified that more than thirty states have accepted our invitation.

Moreover, Mr. Chairman, it has been inferred that we have engaged in discussions of "secondary technical details." Let me assure you that the technical details relating to verification are not secondary—they are primary. This is not a United States view, but a widely held opinion of a majority of our CD colleagues. Vague generalities, detours into meaningless abstractions, nor hollow artifices will solve these complex issues. Only realism, good faith efforts and determined political will can do the trick.

The Soviet Union maintains that the United States has hardened its position on verification. Mr. Chairman, in developing its position the United States cannot act in a vacuum. Thus, for example, as regards our attitude toward the Soviet proposal for voluntary inspections, we could not but take into account the total lack of cooperation by some states with the UN experts who, under a mandate from the General Assembly, investigated reports of chemical weapons in Southeast and Southwest Asia.[81]

The Soviet representative recalled the Warsaw Pact proposal for a regional prohibition on a so-called "chemical weapons free zone for Europe."[82] The problems with this approach were described by the F.R.G. representative to the CD in his February 1983 statement in that committee.[83] This proposal addresses only a part of the worldwide concern over these terrible weapons. In any event, if the proposed arrangement were to be effective, it would have to include verification measures very similar to those required for an adequately verifiable general prohibition of chemical weapons. In fact, such measures would have to deal with an additional problem, namely the ease and promptness with which a nearby state possessing chemical weapons could re-introduce them in the proposed zone. As to the Soviet proposal for freezing the production and deployment of chemical weapons, such a freeze would also require verification measures more complex and extensive than those needed for a complete prohibition of chemical weapons. In short, rather than being interim measures designed, as the Soviet representative maintained, to expedite negotiations on such a prohibition, these proposals would have precisely the opposite effect. Our efforts should continue to be devoted to our fundamental objective of achieving a complete prohibition of chemical weapons.

Mr. Chairman, reference was made to bilateral negotiations on banning chemical weapons conducted between the United States and the Soviet Union for 3 years, ending in the summer of 1980. We believe

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[80] The invitation to all members of the Committee on Disarmament was extended on August 23, 1983, by the Alternate U.S. Representative to the First Committee, Morris Busby; for text, see U.N. document CD/PV.236.

[81] Reference is to U.N. General Assembly Resolution 35/144 C, passed on December 17, 1980, which established an international group of experts to investigate the use of chemical weapons in Southeast and Southwest Asia. U.N. General Assembly Resolution 36/96 C, passed on December 9, 1981, extended the mandate for another year. For text of the final report of the U.N. experts to the U.N. Secretary-General on December 1, 1982, see U.N. document A/37/259.

[82] Reference presumably is to the statement released following the meeting of Warsaw Treaty member-states in Prague, January 4–5, 1983. The conference advocated, among other measures, the elimination of chemical weapons in Europe, and a multilateral study involving all interested states into the most effective means of accomplishing this task and entering into appropriate talks. For a condensed text of the proposal, see *Current Digest of the Soviet Press*, February 2, 1983, pp. 6–9.

[83] For text of the statement by the Federal Republic of Germany Representative to the Committee on Disarmament, see U.N. document CD/PV.198, February 1983.

that all nations, large and small, have a stake in these negotiations. I think it is fair to say also, Mr. Chairman, that my government is convinced that a multilateral forum offers the best chance and hope for concluding a ban on chemical weapons at this time.

Mr. Chairman, we cite these items of concrete evidence of our efforts to achieve a chemical weapons ban, not to exaggerate our role in the negotiation or minimize the many contributions of other delegations, but to set the record straight and to challenge others to join in a constructive undertaking in the CD to produce a chemical weapons ban in which the world community can place its confidence and we can all rest in the knowledge that these odious weapons will never threaten people again.

We have sought to chart such a course in the negotiations. Our invitation to Tooele is intended to be an aid in navigating that course toward the port which we all are trying to reach. I wish not to engage in rhetoric but to challenge those who question our sincerity and determination to demonstrate their interest in the achievement of an effective and verifiable ban on chemical weapons by responsible behaviour and good faith efforts at the negotiating table. If that challenge is accepted we can surely reach the objective on which I hope, we all agree.

Document 49

Address by the Director of the Arms Control and Disarmament Agency (Adelman) Before the World Affairs Council, Los Angeles, November 17, 1983 [84]

Paradoxes, Problems, and Promise of Arms Control

It is a great pleasure to be here with all of you today. I want to thank Ed Haddad and the Los Angeles World Affairs Council for this welcome opportunity to discuss one of—if not the—most intellectually challenging, emotionally gripping, and profoundly important issues of our era: How to control arms and reduce the risk of war.

It is a matter of survival, and also of how we make a better, safer world wherein freedom and justice flourish. It is, in an era of nuclear weaponry, a matter of global dimensions. And it is, I can assure you, an area that deeply and personally involves the President. It receives the highest priority of all of us serving under his leadership.

In a few days, many television viewers across the land will witness a powerful, draining portrayal of the horrors of nuclear war and its aftermath. The movie is, as you probably know, "The Day After". [85] Believe me, it is moving. Recently, scientific panels also have reminded us that nuclear war would have horrible and far-reaching consequences that would, by no means, be limited to the participants or to their hemisphere.

The thought of a "nuclear winter nightmare", the drama of the destruction of a typical American city—such as Lawrence, Kansas—and of society as we know and cherish it, are piercing reminders of the need to do everything possible to eliminate the chances of nuclear war from ever occurring. As President Reagan has said on several occasions: "A nuclear war cannot be won and must never be fought." And, "There are no winners in a nuclear war—only losers."

Avoiding war while preserving freedom is by no means easy. It is, in fact, a tough business. It requires not just defense efforts but an array of diplomatic relationships, and security, cultural, and economic ties with other countries. It often entails hard choices with each one having risks and costs. It requires—perhaps above all else—our mightiest moral, intellectual, and emotional resources.

The dramatizations of these weeks depict the horrors. They show the problem, but not the solution. Given the overwhelming—indeed, unimaginable—tragedy if we fail, and the heavy demands made on us to succeed—as we must—it is only natural that simple formulas gain popularity. The ideas of a "freeze" on nuclear

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[84] Source: Arms Control and Disarmament Agency files; also printed in Department of State *Bulletin*, January 1984, pp. 45–49.

[85] The film was broadcast nationally on November 20.

weapons or unilateral nuclear disarmament are, in this respect, understandable.

But these ideas are deceptively alluring. As H. L. Mencken said, "There is always an easy solution to every human problem—neat, plausible, and wrong." Contrary to appearances, a freeze or unilateral disarmament will not help achieve greater stability or reduce the chances of war. They run a high risk, in fact, of inviting just the opposite results.

The paradoxes of arms control are glaring, often to the confusion of many concerned citizens. History has taught us that we must be prepared for war in order to avoid it. Strength can and does deter aggression. Weakness may invite it, and thus weakness is provocative.

Nuclear balance is essential to keep the peace. Deterrence means that a potential aggressor realizes that the costs to him will be unacceptably high. To pose that prospect, we must have forces and be seen as able and prepared, if necessary, to use those forces against key elements of Soviet power. Deterrence hinges upon the Soviet leaders' views of our capabilities and of our will. Deterrence may be difficult to comprehend and somewhat abstract, but it works. It has, for example, kept the peace in Europe for 38 years.

Another paradox is that a strong U.S. defense posture is necessary, not just for deterrence, but also for effective arms control. The Soviets are not unlike any tough negotiator. If they can realize their goals without giving up anything in return, they will surely prefer that deal. If we grant them strategic superiority by neglecting our force modernization, we cannot hope to regain strategic parity by pursuing arms control ever so diligently. On the other hand, if we pursue programs to redress the imbalances that have developed through the unparalleled Soviet military buildup, the Soviets will have strong incentives to negotiate for genuine arms reductions.

Our actions cannot, of course, guarantee that the Soviets will agree to substantial reductions in U.S. and Soviet nuclear arsenals. We might fail if we try. But we will surely fail if we don't try. No effective arms control will come about if we do not pursue deep reductions and needed defense programs. Weakness not only diminishes deterrence but also undercuts arms control.

A number of problems, as you can imagine, arise between the paradox and the promise of arms control. These problems include (1) the unabated Soviet buildup of military forces; (2) asymmetries between the two sides' force structures; and (3) American impatience.

Both effective deterrence and real arms control have become tougher to achieve because of Soviet conduct, and the Soviet weapons buildup over the past decade. Since 1972, the Soviet Union has tripled its number of strategic nuclear weapons. The Soviets dedicate at least 12–14 percent of their gross national product to defense, or basically double what the United States spends on defense relative to its GNP.

The Soviets have kept production lines open and active for all three legs of the strategic triad—land-based missiles, submarine-based missiles, and bombers—whereas the United States had an open production line only for submarines when President Reagan took office. The Soviets have also steadily increased their intermediate-range, land-based nuclear forces targeted on Western Europe and Asia, having for years a monopoly on these weapons.

The United States has no interest in an arms race with the Soviet Union. In fact we have not been racing at all. Our increase in strategic weaponry has been at a much slower pace. The destructive capability of our strategic weapons is today 60 percent less than that of the Soviets. Looking at our total nuclear stockpile, the number of U.S. nuclear weapons is at its lowest level in 20 years and the megatonnage of our nuclear weapons today is only a quarter of what it was in the late 1960's. In more graphic terms, we have deployed today some 8,000 fewer nuclear weapons than in the 1960's.

As President Reagan noted in his radio address last month,[86] Western restraint stands in stark contrast to the Soviet buildup in intermediate-range nuclear forces. The Soviets began in the mid-1970's to increase these forces targeted on our allies in Europe and Asia with a new, triple-warheaded, more accurate missile—the SS–20. They have continued to deploy

[86] Reference is to the President's radio address to the Nation on October 22, 1983.

these mobile missiles. They now have 360 SS-20's with 1,080 warheads.

For its part, the United States has withdrawn 1,000 nuclear weapons from Europe since 1980, and has just this month announced that another 1,400 will be withdrawn. [87] For each new nuclear weapon that may be deployed in Europe over the coming times pursuant to NATO's 1979 decision, more than five nuclear weapons will have been withdrawn from Europe.

This is as it should be. We should tolerate only the bare minimum number of nuclear weapons necessary for effective deterrence. Moreover, together with our allies, we are dedicating ourselves toward less reliance on nuclear weapons, and more on new conventional methods for preserving our freedom. This, too, is as it should be.

The President has taken major initiatives to try to eliminate this intermediate-range class of weapons entirely—our zero-zero solution. Since the Soviets have continued to refuse to do that, the President has taken other initiatives to reduce these weapons to the lowest possible equal level.

His efforts—in the INF talks in Geneva—have regrettably met with Soviet stonewalling. We are faced this week with the prospect that the Soviets may not negotiate if U.S. deployments go forward, as NATO has planned since 1979, to balance this Soviet military threat. A Soviet walkout would be ironic and unjustified. We have negotiated for several years while the Soviets steadily deployed new weapons, on an average of one new SS-20 a week. Since negotiations began, the Soviet Union has fielded over 100 additional SS-20 systems with some 300 warheads.

Now that U.S. deployments are starting according to the schedule established 4 years ago, [88] the Soviets threaten to walk out unless we agree to give them a monopoly on these missiles. All their proposals have had the same bottom line: hundreds of these missiles for them and zero for us.

If the Soviets were serious about an agreement, they would stay at the table and negotiate. The United States will negotiate as long as necessary to reach a sound settlement. We are also prepared at any time to modify or reverse our missile deployments if such a settlement is achieved.

Pressure tactics are, of course, standard Soviet methods. In 1979, the Soviet Union said that there could be no negotiations if NATO decided to deploy these missiles. Nine months later they agreed to talks after NATO showed its determination. In 1982, the Soviets threatened to suspend negotiations if NATO moved forward with preparations for deployment. These preparations have gone forward and the talks have continued.

We do not know exactly what the Soviets have in mind now. But we do know that we should not be surprised by their pressure tactics. Nor should we be cowed or intimidated. Staying the course we are on provides the only opportunity for a balance or reduction of these weapons that will enhance stability and reduce the risk of war.

Another problem for arms control relates to the broader context of Soviet conduct around the world. Arms control cannot be immune from major outside forces, and it has not been. President Johnson's plans for a Moscow visit to launch the first strategic arms limitation talks were dashed by the Soviet invasion of Czechoslovakia in 1968. Discovery of the Soviet brigade in Cuba in the fall of 1979, plus the Soviet invasion of Afghanistan at the end of 1979, adversely affected Senate consideration of the SALT II Treaty signed in June of that year.

The Reagan administration does not seek to link arms control efforts to other areas of Soviet behavior. In the wake of the tragedy of the Korean commercial airliner shot down by the Soviets, for example, the President did not suspend the arms talks. On the contrary, he continued to review problems in the negotiations and to undertake steps to overcome them.

But Soviet behavior can and at times will impact on our arms control efforts, like it or not. This is inevitable in a democracy, where neither the public nor its representatives can place aspects of Soviet conduct in totally separate boxes. Soviet adherence to existing arms control treaties

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[87] See document 164.

[88] Reference is to the NATO decision of December 12, 1979; for text see *American Foreign Policy: Basic Documents, 1977–1980*, pp. 494–496.

or to pledges on their part also raises perplexing problems.

It is particularly tragic that the use of chemical warfare in Asia continues today in violation of international agreements, international law and civilized behavior. These actions by the Soviet Union or its allies have accounted for an estimated 10,000 deaths among the Afghan hill peoples and Asian peasants. This assaults everyone's sense of human decency. Other Soviet actions raise serious questions about their compliance with the ABM Treaty and with their political undertakings related to the SALT II Treaty.

We cannot turn our back on evidence of such violations. If we are serious about arms control, we must be equally serious about problems of compliance. The Reagan administration is comprehensively reviewing these issues and we continue to raise them with the Soviets at high levels.

Another major problem in nuclear arms control stems from the two sides' different force structures and approaches. The United States has, for example, over time leaned toward smaller missiles with improved accuracy and technology, and toward a balance between the three legs of the strategic triad. The Soviets, on the other hand, have placed greater emphasis on destablizing heavier, land-based missiles.

Differences of perspective resulting from geography, from history, and from tradition further compound the difficulties of negotiation between the United States and the Soviet Union. The Soviets see any weapons targeted on the USSR as "strategic", whereas we differ on that definition since some of our weapons in Europe are there only to offset Soviet weapons targeted on our allies in Europe.

Differences lie also in that the Soviets seek forces that far outnumber all their potential adversaries combined. But, were we to agree with that formulation, the Soviet Union would be far stronger than any single potential adversary, such as the United States. Granting the Soviet Union superiority by arms control is obviously unacceptable.

Simply put, the two sides' forces are not comparable in many respects. Thus, even with good faith and major efforts by both sides, it is difficult intellectually to bridge the wide gaps.

But that is precisely the challenge of negotiations, and—I can assure you—one of the things that makes my job and others so extraordinarily stimulating. How to balance systems that are comparable and to make tradeoffs between systems that are not is easier said than done, but still possible.

Last month President Reagan made clear that the United States is prepared in the strategic arms reduction talks to negotiate tradeoffs between Soviet advantages and U.S. advantages.[89] He also called for a mutual, guaranteed build-down of ballistic missile warheads and bomber platforms. This would reduce the number of missile warheads by a third on both sides, an approach which offers a promising beginning if the Soviets are willing.

A third problem—besides the Soviet military buildup and asymmetries between the U.S. and Soviet forces—is uniquely ours: it is traditional American impatience. This, of course, has many beneficial and noble aspects. We are an active people. We see problems and we want to solve them—sooner rather than later. Our creativity and problem-solving impulse have built the kind of society which we are so fortunate and justifiably proud to have today.

But effective arms control, like most worthwhile endeavors, does not come quickly. The key issues we face today are extremely complicated, as you might have discerned from my remarks above. progress will be more difficult than in the past and, needless to say, it was not particularly easy then. Achieving militarily significant reductions and sound limitations promises to be a long, hard road.

We cannot be discouraged by the difficulty of the passage. As we travel down this road, we should be wary of the lure of agreements which may look appealing but, on reflection, do not really serve the goals for which they are intended. We should be wary of any so-called simple solutions and should not allow sweeping, unverifiable declarations of intent to be confused with real arms control.

Empty agreements would be easy and quick. We could have one tomorrow. But they would inflate expectations without of-

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[89] See *supra*.

fering much in the way of concrete benefit.

Effective arms control will, thus, take considerable time and patience. Negotiation of the Treaty on the Non-Proliferation of Nuclear Weapons, for example, took some 5 years. Other agreements have required even more time. The Austrian State Treaty took more than 10 years to negotiate and conclude. Would we have a free and independent Austria today if the West had, at any stage, given up or compromised its basic principles and objectives? There is, I am sorry to report, no quick and easy route to a better world.

Under President Reagan, the United States has been embarked on one of the most ambitious arms control agendas ever developed. That fact is often insufficiently understood and sometimes badly misrepresented.

I do not plan to bore you with all the intricate details of our negotiations. A summary review of our major efforts clearly illustrates just how broad the current arms control agenda is.

In the strategic arms reductions talks in Geneva we seek deep reductions in strategic nuclear weapons. We should not be satisfied with merely capping nuclear arms at high levels. Since SALT I and SALT II we have seen substantial increases in the Soviet nuclear forces that have created strategic imbalances. Arms control needs to do better.

In the talks on intermediate-range, land-based nuclear forces in Geneva we continue to seek the complete elimination of these weapons, but are willing to accept any agreement that would substantially and effectively reduce the systems to equal and low U.S. and Soviet levels on a global basis.

While we push ahead to reduce existing nuclear arsenals, we also continue vigorous efforts to prevent the further spread of nuclear weapons. It is imperative that the spread of nuclear weapons around the world be halted.

In the Committee on Disarmament in Geneva we are actively engaged in trying to rid the world of all chemical weapons. As expressed by one keen observer, these weapons have all the potential for becoming "the poor countries' weapons of mass destruction." The world cannot afford that, and we are redoubling our efforts to work out a complete and effective ban on all chemical weapons.

I personally feel strongly about this important area. The moral, legal, and political barriers that have been built up over the decades on chemical weapons use are in danger of being eroded, and of tumbling down. We need to buttress and build on them; just as we have done in preventing the spread of nuclear weapons.

In the mutual and balanced force reductions talks we have, with our allies, taken initiatives to seek reductions in conventional forces in Europe.

In the upcoming Conference on Confidence and Security Building Measures and Disarmament in Europe, we are again working with our allies to achieve agreements that will reduce the risk of war arising through error or miscalculation.

Despite this impressive agenda, some critics argue that the Reagan administration is not serious about arms control. Nothing could be further from the truth, as you can see.

Another line of criticism is, ironically, that the President's arms control proposals are too ambitious. I am not entirely sure what such criticisms mean. Should we not seek deep and militarily significant reductions in strategic nuclear weapons? Should we not ensure that reductions are balanced in a way that contributes to, rather than detracts from, stability? Should we not seek much lower levels of nuclear weapons and conventional forces in Europe? Should we not seek to prevent the further spread of nuclear weapons and to ban all chemical weapons?

These goals are surely ambitious. But can we afford to be anything less? I do not think so. The President does not think so. And I doubt that the American people think so.

The promise of arms control is frequently exaggerated by some and underestimated by others. It cannot, by itself, resolve the world's problems. We should not burden it with the task of resolving the major political and ideological differences that separate free people from the Soviet Union—particularly its repression at home and aggression abroad. Arms control cannot and was not meant to carry such a load.

But arms control can make a key contribution. It holds out a promise of a world with fewer and fewer nuclear weapons, with less and less overall destructive capability; a promise of greater stability and reductions in the chances of war by error or miscalculation in crises; and a promise of a better basis for security planning. When all is said and done, it can be one of the foundations for the better world that we all seek.

Arms control, in general terms, represents the embodiment of hope among peoples for a world spared from the kind and intensity of conflict that so deeply marred the first half of this century. These vital efforts deserve everyone's support. As President Reagan and the other summit partners noted earlier this year in Williamsburg, arms control is part of "a vision of a world in which the shadow of war has been lifted from all mankind."

Document 50

Transcript of a White House Press Briefing, December 8, 1983 (Extracts) [90]

Soviet Linkage of START Talks Resumption to Deployment of Missiles in Western Europe.

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MR. SPEAKES. START; the Soviets this morning—we ended the talks at the time—at their scheduled ending for the traditional January—December-January recess. The Soviets did not set a date for the resumption. [91] Ambassador Rowny has issued a statement. Our viewpoint, of course, is identical to his that we do not agree that the Soviets should fail to set a resumption date for the talks, based on issues outside of the talks. We think the United States has made a concerted effort to reach an agreement on strategic weapons with the Soviets. We are prepared to continue our discussions. We think there is a basis for agreement, there is a possibility of agreement. We would like to resume as scheduled in February in the hope that the Soviets can get—will agree to a resumption date in February. We believe it is of paramount interest that—to the entire world that these talks continue, and we will do everything we can to see that they do.

Q. Like what?

MR. SPEAKES. Continue to try to encourage the Soviets to—

Q. How?

MR. SPEAKES. —set a date. How? By diplomatic discussions.

Q. Is there a chance of merging the two talks, the mid-range and the long—

MR. SPEAKES. Basically, we would prefer that not be the route. We think that—

Q. Has that been considered, though, or talked over?

MR. SPEAKES. I don't think so. Not actively.

Q. Is it the perception of the U.S. negotiators that the Soviets do not intend to come back?

MR. SPEAKES. I don't think we can read that yet. . . . I don't think we can—we have enough—we just can't say what their intentions are. We don't know what their intentions are.

Q. Were we surprised? I mean, we've been saying—they've been saying they were going to do this; we've been saying we didn't think they were going to do this, so what was the expectation?

MR. SPEAKES. Well, I always hesitate to answer to "Were you surprised?" questions. Not a very precise question. The point is that we—they said what they said and we like for them to set a date.

Q. We propose a date and see if they accept it?

MR. SPEAKES. We are hoping that—we have proposed a February date—or a date in February. Time, presumption time is

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[90] Source: Office of the Press Secretary to the President. The briefing, which was conducted by Deputy Press Secretary to the President Larry Speakes and Deputy Press Secretary for Foreign Affairs Robert B. Sims, began at 9:17 a.m.

[91] For the Soviet statement, released by TASS, see *New York Times*, December 9, 1983, p. A16.

February. I don't know whether it's a precise date, or not.

Q. Larry, have the Soviets indicated flatly they will not come back or have they indicated that they just will not set a date?

MR. SPEAKES. That's—their statement indicates that they would not—TASS says, "The date for resumption of talks has not been set due to this." This, meaning the deployment.

Q. Has the President made any effort to contact Mr. Andropov over this issue?

MR. SPEAKES. Not that I'm aware of . . . .

Q. You say in your statement you think there's a basis for an agreement. Can you elaborate on that?

MR. SPEAKES. Yes. The basis for an agreement is the fact that we have proposed to reduce the nuclear weapons of both nations by one-third on each side to a level of 5,000. We've also proposed to reduce heavy bombers and air launch cruise missiles well below the SALT II levels. We think this could be accomplished by a build-down that encourages stability and we demonstrated great flexibility repeatedly in these talks by modifying our positions to take into account the concerns of the Soviets.

Q. But basically, the basis is, in fact, our proposal and isn't as if, somewhere along the line, there is a serious nibbling by the Soviets.

MR. SPEAKES. No. I think the basis is our proposal, yes.

. . . . . .

Q. How about the concern? Has this raised the level of concern over a possible nuclear conflict?

Mr. Speakes. No, I don't think so. I don't think this, in any way, raises that possibility. I think it's important, though, that we continue to negotiate to reduce weapons and that's what we've tried in both START and INF.

Q. Is this the first time that they have linked START talks to the deployment in Europe? In the past it's always been INF.

Mr. Speakes. I believe so, unless they did privately . . . within the talks. It's the first public statement I recall.

Q. Is there any feeling that the Soviets have now just put everything on hold to ride out the election?

Mr. Speakes. . . . I don't know. I can't say that. I don't know what their plans are.

. . . . . .

Q. On the START matter, it looks like the Russians are really determined to try some way or another to stop the deployment of the Pershings. Is there any possibility that these will be slowed down?

MR. SPEAKES. No. Going ahead on schedule.

Q. —ahead on schedule—

MR. SPEAKES. Going ahead on schedule.

Q. —regardless?

MR. SPEAKES. Yes. That's—

Q. What's our position about possibly considering merging the talks?

MR. SPEAKES. . . . generally we oppose this idea. We'll consider it, but I think—

Q. We will consider it?

MR. SIMS. We think it would complicate the talks.

MR. SPEAKES. Yes. We have considered it, I guess is a better way to put it. But I think Shultz and the disarmament people have said it's not the way to go.

Q. But if it were the only way to get the Soviets back to both negotiations.

MR. SPEAKES. It's hypothetical at the moment.

Q. Do we plan to continue to abide by the nonratified SALT II agreement?

MR. SPEAKES. Yes.

Q. And do we plan to make public alleged Soviet violations of START?

MR. SPEAKES. We've, in the past, have made some violations of various treaties public, but I don't know. We still have a

number of alleged violations under study in an interagency group. [92] Whether we'll make that public hasn't been decided.

Q. There have been reports in I don't know how many newspapers that the report is ready and it's going to Congress very shortly.

MR. SPEAKES. Yes. I don't know. Bob, do you—

MR. SIMS. That's—those reports are not correct.

Q. Excuse me?

MR. SIMS. Those reports are not correct if they're as you state them because there still is study within the interagency group. No Presidential decision that I'm aware of and we have some requests from Congress to provide reports and I'm sure we'll comply with those requests.

Q. The Senate voted 93 to nothing to request it, didn't they? [93]

MR. SIMS. Yes. We've indicated that we would reply, yes. There's nothing on timing, no decision.

Q. You would comply with the congressional request with the report as it has been reported in the press, the report with those particular violations, or you would comply with some different form of report?

MR. SIMS. That's not decided.

Q. Are you saying, Bob, that it's just not decided whether you're going to report to Congress at all or are you still trying to decide whether there have been 200 or so violations?

MR. SIMS. We would undoubtedly be reporting to Congress. But the work preparatory to making a report is not completed and there's no decision.

Q. Is there any doubt at all that there were numerous violations?

MR. SIMS. We'll wait until we complete the work.

Q. You're saying there's no decision on what will be included in that report?

MR. SIMS. This work isn't completed on the interagency review, which McFarlane chairs, of Soviet arms compliance—arms control treaty compliance.

Q. And you're telling us the substance of that report is not as it's been written in the various reports?

MR. SIMS. I just wouldn't want to comment on the reports published about what we might or might not report.

. . . . . .

Document 51

Address by the Director of the Arms Control and Disarmament Agency (Adelman) Before the Arms Control Association, December 8, 1983 (Extract) [94]

"The Principle of Reasonable Trade-Offs That Enhance Stability Should Be Our Guide"

. . . . . .

I would like today to suggest a few key elements and objectives that could serve us well over the long haul in the area of strategic nuclear arms limitations.

First, arms control approaches should provide incentives for moving toward more stabilizing systems and disincentives for increasing or retaining destabilizing systems. The administration has been criticized for making reductions in the large, MIRVed ICBM warheads a centerpiece of our START proposal. We are indeed working hard for reductions in these systems. But it is unfair criticism to the extent that it suggests either that we need not be so concerned about such systems or that we are unwilling to make the

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[92] See document 37.

[93] The Arms Control and Disarmament Agency Authorization Bill for FY 1984, P.L. 98-202, approved December 2, 1983, contained a provision requiring the President to report to the Congress on Soviet compliance; for text, see 97 Stat. 1381.

[94] Source: Arms Control and Disarmament Agency, *Arms Control Bulletin*, December 8, 1983.

necessary trade-offs to achieve reductions in them.

The Soviets' emphasis on large, MIRVed ICBM systems with increased accuracy presents a potential first-strike threat—and an advantage in destructive capability. This undermines deterrence and runs contrary to our interest in overall strategic stability. Thus, for reasons of stability and deterrence, we need to do something about these systems. The President's Commission on Strategic Forces, headed by Brent Scowcroft, reminded us of this fact and of the importance of structuring our arms control proposals and defense programs to encourage more stabilizing systems.

The Soviets may or may not be willing to move away from their heavy MIRVed systems over time. It is too early to tell. But their advantage in this area will persist for some time. It seems evident that we should encourage them to move away from such destabilizing systems. The Soviets are, I suggest, much more likely to move in certain directions if we advance incentives for doing so than if we do not.

A second and related element is the need to reduce the great disparity in destructive capability between U.S. and Soviet missile forces. Throwweight is a key measure of that capability. Today, the Soviets have almost 12 million pounds of throwweight compared to about 4 1/2 million pounds for the United States. Accuracy is also a critical element in measuring hard-target kill capability, and traditionally we had some edge in accuracy. But that edge has all but disappeared as Soviet accuracy has advanced.

We dare not make too little of throwweight. If we want to move toward smaller, less vulnerable systems—as the Scowcroft Commission and we in the administration urge—we will need to lower the throwweight discrepancy between the Soviets and the United States. To allow one side many more times the destructive capability than the other would inhibit the move toward a more stable balance with smaller, less vulnerable systems. That great disparity can give one side advantages in both hard-target kill capability and the capability for barrage attacks on mobile and other systems, not to mention a large breakout potential.

No matter how you cut it, the existing disparity in throwweight is destabilizing. It will continue to be unless we can reduce it. We need to get on a track that will diminish these differences. Our arms control approaches can and should help get us there.

A third basic element is that an equitable agreement will need to include balanced trade-offs between different systems. Substantial differences between U.S. and Soviet history, tradition, and alliance relationships are reflected in very different force structures that pose real obstacles to achieving sound agreements. Historically, for example, we have leaned more toward an equal balance among the three legs of the strategic triad and toward smaller missiles with improved accuracy and technology than have the Soviets. The Soviets, in contrast, have opted more for big systems and for keeping a preponderant portion of their strategic forces on land. Each side's START proposals have largely addressed what it perceives to be the major problems in the current strategic balance.

The real negotiating issue, of course, is how to trade-off between different categories of weapons, or how to permit one side advantages in an area that will be offset by the other side's advantages in another area. President Reagan has clearly stated that the United States is prepared to make trade-offs between the two sides' systems in ways that will contribute to stability.

Sound trade-offs are much easier said than done since strategic systems are not readily commensurate. If they were, the negotiations and bureaucratic tasks would be far less demanding than they are in real life. As it is, however, we should not slide over the well-known distinction between ballistic missiles on the one hand and bombers and bomber weapons on the other. These missiles give little warning time, present a first-strike threat, and are difficult to defend against. Bombers are much slower, recallable prior to weapons delivery and, in the case of U.S. bombers, have to penetrate formidable Soviet air defenses.

It is, in my view, essential to recognize the real differences between these systems, and to treat them accordingly in our arms control approaches. This might be done, for example, by separate ceilings or by permitting a hierarchy of different ceilings, with some limited freedom to mix between categories. There may be other approaches as well. But the principle of

reasonable trade-offs that enhance stability should be our guide.

Finally, I would return to my first assumption that our arms control approaches should be designed to endure. I am quite familiar with the complaints that the Reagan administration was too slow in getting its arms control proposals together and really does not seek an agreement. These complaints underestimate the need for careful review and undervalue the far-reaching arms control proposals put forth by President Reagan.

The President had good reason not to rush into new positions and negotiations. The experience of the Carter administration's dramatic early push—followed by an even quicker falling off—was one not to be repeated. The Reagan administration took some time to evolve solid proposals based on principles that would stand up over time. The criticism that the length of these preparations and the resulting positions reflect a disinclination to engage seriously in arms control is way off the mark. The positions actually reflect the kinds of principles that I have discussed earlier and which, I submit, can provide the basis for a long-term agreement that would enhance stability at lower force levels.

The fact is that President Reagan is embarked on one of the most ambitious arms control agendas developed by any administration. He has advanced proposals to reduce strategic missile warheads by a third. Working closely with Congress, his most recent initiative would establish a schedule and mechanism for a mutual, guaranteed build-down in missile warheads and bombers. While still preferring the complete elimination of longer-range, land-based INF missiles, he has made clear a willingness to accept equal global levels at lower numbers than the Soviets have amassed to date. In MBFR, we have advanced proposals to reduce conventional forces in Europe; in the Committee on Disarmament, we have sought to ban chemical weapons altogether.

The President's arms control agenda includes a number of confidence building proposals to reduce further the risk of miscalculation in a crisis or accidental war. These, like our other efforts, are critical in the age of nuclear weaponry. The Conference on Disarmament in Europe opens this January, and we have been preparing to work for agreements to reduce the chances of suprise attack in Europe.

Some people say that this agenda is too ambitious. The President believes that we must be ambitious if we are to achieve agreements that will significantly reduce arms and enhance stability. I share that view, and believe most Americans do as well.

There is also the related criticism that the administration's emphasis on defense modernization is another sign that arms control is being short shrifted. This view, again, is off the mark.

The MX, Trident, Pershing II, and GLCM—for example—have been in the works for several years as part of the U.S. effort to counter the Soviet buildup. Indeed, in the case of the MX, we today see a program one-half the size in numbers and far simpler in deployment mode than what was proposed under the previous administration. Many factors account for this, but the point still sticks: These efforts do not signal that arms control is being downgraded or deemphasized.

Strong defense efforts are necessary not just for deterrence but also for effective arms control. The Soviets are like any tough negotiator, as some of you here know full well. If the Soviets can realize their goals without giving up anything in return, they will surely prefer that deal. If we grant them significant strategic advantages by neglecting our own defenses, we cannot hope to solve that problem through arms control alone—no matter how diligent and creative we are in our approaches.

On the other hand, our modernization programs to redress today's and tomorrow's strategic imbalances can help move the Soviets toward serious negotiations. The Reagan administration's program for strengthening our defense posture is consistent with—indeed, necessary for—a strong and active arms control effort.

Treaties designed for the long-haul can be achieved. Take, for example, the ABM treaty which dealt with an entire class of weapons for an indefinite duration. We have a lot to learn from that effort and from the individual who negotiated it—Gerry Smith.

But even long-term treaties need constant attention. The Soviet construction of

a new radar, for example, has raised serious concerns about their compliance with the ABM treaty. Other activities cast a pall of doubt over their political undertakings related to SALT II. The use of chemical warfare in Asia—in violation of longstanding international agreements and law—is particularly appalling.

We cannot—and will not—ignore these problems. If we are serious about arms control, we must be serious about compliance with arms control commitments and about effective verification for arms control proposals. As the President has stated, we are deeply concerned about Soviet activities in a number of compliance areas. We are completing a comprehensive review for the President and the Congress, and are continuing to raise these issues with the Soviets.

I know that some of you are worried about the implications of U.S. ballistic missile defense programs for the ABM treaty. All the options recently presented for the President's consideration involve only research—not deployment—and only activities consistent with our international treaty obligations, including the ABM treaty. The President has made this intention clear from the outset.

If, in the coming decades, deployment were deemed desirable, obviously there would be a need for some modifications of the ABM treaty. That factor will need to be weighed if and when we get to that point. The President has also made clear that we would work with the Soviet Union on this matter.

At this stage it is not possible to predict if or when we might need to pursue such action. But we do know that the Soviets have an extensive program and a future breakout potential in these areas. In this light, it is only prudent for us to pursue an active research program as a hedge or safeguard, and consistent with all our obligations.

I have, this afternoon, focused on strategic arms issues and have not addressed a number of other critical areas—such as INF and nuclear nonproliferation. I wish we had time to discuss our efforts in these areas as well.

The potential spread of nuclear weapons to additional countries presents, as you know, one of the greatest threats to world peace and stability. That problem occupies and concerns me personally as much as any other issue. I can assure you that we in ACDA are doing our part to ensure that we have a vigorous and vigilant program to prevent proliferation through such measures as strengthening supplier controls and international safeguards.

I have also deliberately avoided an account of where we stand in our various arms control negotiations, but look forward to answering any questions on these matters. You are no doubt well aware that considerable movement must yet be made if we are to achieve agreement on significantly reducing nuclear weapons.

But effective arms control, like most worthwhile endeavors, does not come quickly. The key issues we face today are extremely complicated. Progress will likely be more difficult today than in the past. Needless to say, it was not particularly easy then. Achieving reductions, a significant build-down of weapons, promises to be a hard and long road.

It also promises to be a road filled with Soviet pressure tactics and turns. These are part and parcel of Soviet bargaining. Like other tough negotiators, the Soviets will stake out and push hard on certain positions, reconsidering them later if the other side perseveres. In the late 1960's, for example, the Soviets insisted that ABM's were not a subject for arms control. Later, when it became clear that the United States was going forward with its programs, the Soviets entered into negotiations and eventually an ABM agreement.

In more recent years, the Soviets have taken strong stands concerning negotiations on INF systems. Prior to NATO's December 1979 decision, they said that negotiations would be impossible. Talks began 9 months later. It is too early to tell what will happen with the Soviet's present position that further INF talks are impossible unless U.S. systems are withdrawn. I hope that position will change as well.

Prior to the recent Soviet walkout, both sides had moved some in those negotiations. Unfortunately, all the Soviet moves were in the context of their "half-zero option"—zero U.S. INF systems for NATO and over 700 warheads for the Soviet side. That part of their proposal never changed. It was the stumbling block for an agreement.

But we should not be disheartened by the difficulty of the moment. As Samuel Johnson said, "Where there is no hope, there can be no endeavor." If we can achieve a lasting consensus on the kinds of principles discussed here, and if we persevere, I believe there is hope for arms control to make a greater contribution to international security and stability than ever. The Reagan administration and we in ACDA will endeavor to make that happen. The American people—indeed, the world at large—deserve nothing less than a steady, determined effort to reduce arms and the risk of war.

Chapter 5. Foreign Economic Policy

A. General Policy Issues

Document 52

Statement by the Secretary of State (Shultz) Before the Senate Foreign Relations Committee, February 15, 1983 [1]

Restoring Prosperity to the World Economy

Mr. Chairman and distinguished members of this committee, I am very pleased to have a chance to respond to your invitation to testify on the international economic system and the ramifications of it for the United States. So my testimony, responsive to your invitation and the questions, is focused on this subject.

I would like to say at the outset, however, that you should not infer from that that I think this is the only subject of interest in foreign policy matters, and in particular, I would like to say that the general program of security assistance and economic assistance is of great importance to us in our foreign policy.

I am delighted to learn that you are going to push ahead rapidly on your markup in this area, and I know that Under Secretary Schneider is due to testify, I think, on Thursday. [2] I simply want to lend my support to what he will be telling you.

Restoring prosperity and stability in the world economy is one of the fundamental goals of the President's foreign policy. Progress toward that goal reinforces our other fundamental objectives—safeguarding peace and security and expanding the benefits of democracy and freedom.

I am going to divide my remarks on the international economic system into three sections. First, a discussion of the U.S. stake in the international economy—where do we come in. Second, an examination of the antecedents of the current situation and the challenges that it presents; and finally, a description of some of the actions that the administration is taking and my thoughts about them, to re-invigorate the world economy.

This country began as a trading nation. The legend of the Yankee Trader has faded with time, but no matter how remote the image, there are still plenty of Yankee traders among us, and I think partly as a result, foreign trade is now more important than ever to the vitality of our country.

In 1981, the United States represented about 25 percent of the world gross national product. One out of five U.S. jobs depends in some way on trade, and 40 percent of our cropland is devoted to production for exports.

In the last decade, U.S. merchandise exports, as a percent of our GNP, have doubled from 4 percent to over 8 percent. Much of this increase is attributable to the growing interdependence of the world's market economies in the 1970's.

Non-OPEC—leave the oil out of it—non-OPEC developing nations, for example, accounted for roughly 20 percent of U.S. exports in 1970. The same nations now account for nearly 30 percent of U.S. exports, which happens to be more than either the European Community or Japan.

On the other side of the trade ledger, the non-OPEC developing countries supply about 25 percent of the goods we

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[1] Source: *Global Economic Outlook: Hearings Before the Subcommittee on International Economic Policy and the Committee on Foreign Relations, United States Senate, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 371–380. The testimony was given before the full committee chaired by Senator Charles H. Percy. For the prepared text, see Department of State *Bulletin*, March 1983, pp. 64–68.

[2] For the testimony of Under Secretary of State for Security Assistance, Science and Technology, William Schneider, Jr., on February 17, 1983, see *Security and Development Assistance: Hearings Before the Committee on Foreign Relations, United States Senate, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 4–12.

import for use by our factories and consumers. Since the counterpart to interdependence is dependence, it is not surprising that the Third World supplies more than half the bauxite, tin, and cobalt used in American industry, and virtually all the natural rubber, coffee, coca, and hard fibers used by American consumers.

The North-South trade connection is important but it should not be overstated. We should remember that Japan is our second largest trading partner, and our neighbors, Canada and Mexico, are first and third, respectively. Moreover, in the aggregate, the European Community is our single largest trading partner. Indeed, in 1982, U.S. trade with the EC totaled $46 billion as compared with $32 billion with Canada.

On the financial side, the United States has traditionally been a large investor abroad, and conversely, has attracted a great deal of foreign investment. In the 1950's and 1960's, returns to investment were higher abroad than at home, and the United States was a heavy net foreign investor.

The counterpart to this foreign investment was a persistent surplus in our merchandise trade. By the 1970's, the demand for new capital abroad had decreased, as had the U.S. supply of savings. Thus, the United States ceased to be a net capital exporter and usually incurred a deficit in merchandise trade.

This history is described in greater and more informative detail in the "Economic Report of the President," so I will not develop it further here. There is a very interesting chapter in the "Economic Report" on the United States and world economy that I think is very well worth reading.[3] There are a number of points in there that they develop well.

The United States is also a significant factor in international financial institutions, as you all referred to. Our support of the World Bank and the International Development Association helps mobilize capital for vital projects in the developing world. In addition, we are a major factor in the International Monetary Fund. The IMF is an instrument of collective action and although we are not a borrower, we still benefit when it supplements global liquidity and provides members with temporary balance-of-payments financing.

In sum, whether looked at from the trade side or the financial side, the U.S. stake in the international economic system is significant—significant in terms of jobs, income, and opportunities. Specifically, we can infer from this brief overview that the United States has a clear stake in the promotion of trade, in the vitality of the international financial system, and in economic stability in developed and developing countries alike.

Beyond pure economics, however, we also have a stake that is more political in character. The demonstration of the strength and viability of market-oriented economies and the democratic form of government with which they are associated. We should seize this moment to prove the potential of the open market mentality that inspired the Yankee traders.

In so doing, however, our own system will be put on trial. Therefore, if we urge other countries to adopt market-oriented policies, we should be sure to adhere to those policies ourselves.

The world is now coming through a period of painful decompression from the severe inflationary surge of the 1970's. That period has left us with serious problems: High unemployment in the industrial countries, large public sector deficits that constrain recovery, and the heavy debt burden of some developing nations that now strains the international financial system. These problems had their origin in the decade of the seventies. An analysis of that period reveals that they may have a common solution—economic expansion in the 1980's.

The level of developing countries' total debt, which now stands at nearly $700 billion, increased more than sevenfold from 1972 to 1982. In the same 10-year period, debt to private lenders jumped from 40 to 60 percent of outstanding LDC debt. The conclusion drawn from these facts by those who wish to fix blame is that either the banks overlent during the 1970's or countries overborrowed.

The truth is that many bad judgments were made. But it is also true that after the oil price increases of 1973–74, lenders

[3] Apparent reference to Chapter 3 of the *Economic Report of the President*, transmitted to Congress in February 1983, entitled "The United States in the World Economy: Strains on the System," pp. 51–76.

and borrowers acted on a set of assumptions; buoyant export growth and low interest rates, that though proven false, were thought reasonable at the time. The recycling of petrodollars from the OPEC nations to the nonoil LDCs was a highly profitable business for the banks. And since the loans were in inflation-depressed dollars, the LDCs assumed that today's loans would be repaid with cheaper dollars tomorrow. In this environment, indebtedness mounted.

It would be wrong, however, to characterize the legacy of the oil shock years as a debt problem. Rather, in its broadest aspect, it is an income-earning problem.

True, LDCs borrowed a lot in the 1970's, but our domestic corporations borrowed a lot, also. The difference is the corporations invest in productive capacity to generate income to repay their debts. Some LDCs, however, tended to invest in consumption rather than production, borrowing to finance internal income transfers. This strategy, although of questionable wisdom, was tolerable as long as LDC export earnings grew fast enough to service their debts.

That was, indeed, the case from 1975 to 1979 when LDC exports grew 22 percent annually, roughly keeping pace with the 25 percent annual growth of LDC debt.

In response to the second oil shock in 1978–79, however, the major industrialized nations adopted more restrictive monetary policies which slowed inflation, boosted interest rates and set in motion a retrenchment from the economic excesses of the 1970's.

High interest rates and a strong dollar increased LDC debt service costs. Simultaneously, LDC export earnings declined as the recession reduced the demand for the slashed prices of LDC commodities.

Indeed, nonoil commodity prices fell 28 percent between 1980 and 1982, increasing debt service ratios and eroding the terms of trade. As Tanzania's President, Julius Nyerere, has put it to buy a heavy truck in 1981, Tanzania had to produce 10 times as much tobacco or 4 times as much cotton, or 3 times as much coffee as it took to purchase the same truck just 5 years earlier.

The problem faced now by Tanzania and other high debt developing countries is not so much a debt problem as an income-earning problem: Rising debt service costs consume an ever-increasing proportion of declining export earnings. Many LDC's are now under pressure to increase exports and curb imports. This comes at a time when the industrialized countries face rising unemployment, declining real income and deteriorating trade balances. As a result, the international financial, trade and monetary systems are under serious strain.

I recognize that is kind of a shorthand summary of much of your hearings, Senator Mathias. [4]

The only lasting solution to the income-earning problem of the LDCs, as well as the serious problems of the industrial countries, is sustained economic growth without renewed inflation. The key to stimulating that growth lies in the interdependence forged in the 1970's of the world's economies.

Today, for example, the economic linkage between the industrialized West and the developing world is tighter than ever. Indeed, it has been estimated that if OECD GNP were to grow by 4 percent in 1983 rather than the projected 1.8 percent, the nonoil developing countries would earn an additional $15 billion on exports to the West, a figure equal to 14 percent of their estimated 1983 debt service payments.

The industrialized countries in my opinion are now poised to lead an expansion of the world economy. In particular, the United States is on the road to recovery. It appears to me personally—this is just a personal opinion—that the growth projections in the President's fiscal year 1984 budget will be exceeded. Interest rates are down, inflation is down, inventories are depleted. Basically, a very expansionary set of policies are in place. In short, the United States and other industrialized nations that have reduced inflation are positioned to play a vital role in world economic expansion.

The recent drop in oil prices may also stimulate expansion. Of course, an oil

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[4] Senator Charles Mathias, Jr., Chairman of the Subcommittee on International Economic Policy, conducted hearings in January and early February on the stresses and strains in the international financial system. Testimony given before the subcommittee is printed in *Global Economic Outlook*, pp. 1–367.

price decline is not unambiguously good, for any sudden unanticipated change in the world economy causes disruptions. An oil price decline may, for example, harm individual countries, especially net oil exporting LDCs such as Mexico and Venezuela.

But assume for the sake of illustration, as distinct from prediction—I underline that—but I want an illustration, and I take a big enough case so we can really kind of get an idea of the orders of magnitude involved here: a decline, say, to $20 a barrel which is a 40-percent drop. It has been estimated that such a price decline would, in the aggregate, have the following catalytic impact over a 2-year period:

Real growth rates in industrial countries would increase 1 to 1 1/2 percent, and developing country rates 2 to 2 1/2 percent. Inflation in the United States and elsewhere would decline 1 1/2 to 2 1/2 percent; the 1983 oil-import bill for industrial countries would drop by $90 billion, and that for LDCs by $9 billion. The OECD current account balance would swing from a deficit of $18 billion to a surplus of $17 billion. Simultaneously, LDC exports would rise 3 percent, cutting their current account deficit by $18 billion. A less significant oil-price decline would have similar positive effects, roughly proportional to the reduction from current prices.

Now, I say this not as a prediction but just to point up that with all of the handwringing you sometimes hear of about the possibility of oil-price declines, there is a very positive side if that should happen. And this just gives some notion of the orders of magnitude involved in the direction and the effect.

SENATOR BOSCHWITZ. Are you going to make a prediction later on in your testimony?

SECRETARY SHULTZ. No, sir; I have one, but I am not talking.

The salutary effects of the world economic expansion will not come about automatically. The United States, together with other nations, must work to insure that the opportunities for growth are seized. In turn, this means that we must concentrate our efforts on four objectives. First, insuring sufficient liquidity in the international financial system; second, preserving open markets; third, improving the international monetary system; and, fourth, insuring political stability in the developing world.

In working toward each of these objectives, which I shall address in turn, cooperation will be essential. Cooperation between the public and private sectors, between the developed and developing worlds, between business and Government, and between the executive branch and the Congress.

The basic elements for successfully dealing with the liquidity problems of the high debt developing countries are known and in place. The so-called debt bomb can be defused through emergency, short-term bridge financing, leading to adjustment programs implemented in conjunction with the IMF and with the cooperation of commercial banks.

Private banks, however, are now reducing their rate of new lending to the developing world. Net new bank lending was flat between the first half of 1981 and the first half of 1982. Estimates for the second half of 1982 show a precipitous drop in new lending, which we have to say it is not surprising that that should happen under the circumstances.

Such an abrupt contraction in new lending obviously would imperil the recovery of the debtor countries. Moreover, reduced lending in the face of increased debt-service costs would also retard our own recovery by contracting LDC imports from the West. Indeed, as Rimmer de Vries recently testified, [5] a Morgan Guaranty Trust Co. study estimates that if capital flows into the LDCs were cut by $25 billion, OECD growth would drop at least a half a percentage point. With OECD growth in 1983 expected to be only 1.8 percent, half of a percentage point represents a significant cut in growth.

The Morgan Guaranty study is hypothetical. But import cuts are already a reality. A dramatic case in point is Mexico whose 1982 imports from the United States dropped 36 percent from the 1981 level. Consequently, in the course of a single year, the U.S. balance on merchandise trade with Mexico swung from a $3.7 billion surplus to a $4.5 billion deficit.

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[5] The testimony of Rimmer de Vries, Senior Vice President and Chief International Economist of Morgan Guaranty Trust, before the Subcommittee on International Economic Policy on January 19, 1983, is printed *ibid.*, pp. 127–131.

The international economy is too vulnerable to this kind of contradiction to permit a continued decline in lending to the Third World. Private banks have a collective interest in extending sufficient new money to permit the developing countries to service their debts. Western governments, including our own, have a similar stake in seeing that the LDCs have sufficient capital to pay for imports of goods and services that will enhance LDC productivity and contribute to world economic expansion.

The United States, I believe, stands ready to do its part in this effort. Where appropriate, we will provide funds, as was the case with Mexico, through bridge financing, CCC credits, Eximbank loans or swap facilities.

This administration will also be seeking congressional support for the expansion of IMF resources, coming directly to Senator Pell's question. In just-concluded negotiations last Friday, member countries agreed upon a quota increase of 47.5 percent. [6] The U.S. share of this increase will be approximately $5.8 billion. I might note that the quota increase is not a U.S. budget item—this, I think, is going to be responsive to your point, Senator Boschwitz—for it represents an exchange of financial assets; cash in exchange for a drawing right on the IMF.

More importantly, our quota represents an investment in international financial well-being. The purpose of the IMF is not to pay off old debts, but to encourage sound policies. Indeed, indications are that a borrowing country's creditworthiness tends to improve with the successful implementation of an IMF program, and private lending then generally increases rather than declines. A quota increase is thus an inherent component of any program to encourage world economic growth.

Another component of such a program is the expansion of the general agreements to borrow. A GAB was initially established by 10 industrialized nations as a backup line of credit to be drawn upon solely by the 10 contributing countries. [7]

However, late last month in Paris, the United States, together with the other nations of the group of 10, agreed to almost triple the GAB from $7 billion to $19 billion. [8] Our share of this expansion is $2.6 billion. I think, incidentally, the number that is being quoted is the sum of the $5.8 and the $2.6 billion. That is where that $8.4 billion figure comes from.

Unlike the traditional GAB, access to this expanded fund will not be limited to the G–10 alone, but will be accessible to any country whose liquidity problems threaten the financial system as a whole.

Our share of the IMF quota increase and the GAB expansion totals $8.4 billion. This is the amount we will be asking Congress to approve before the end of 1983. And Secretary Regan, of course, is the pointman in presenting that to you, [9] but I want to say here that I fully support what he is doing, and I think the combination of Don Regan's efforts and Paul Volcker's efforts with other finance ministers, and central bankers, and Jacques de La Roussiere [*de Larosière*], an outstanding international civil servant, has been very important here and effective.

Let me turn to the trading system. Even if the sustained bank lending and increased IMF resources prevent a sharp contraction in LDC liquidity, the success

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[6] Following its 2-day meeting in Washington, the Interim Committee of the IMF Board of Governors on February 11 announced its decision to increase the total IMF quota from SDR 61 billion to SDR 90 billion (equivalent to about $98.5 billion). For text of the IMF press communiqué, see *ibid.*, pp. 442–445.

[7] Under the General *Arrangements* to Borrow (GAB), established in 1962, the ten wealthiest members of the International Monetary Fund agreed to lend their currencies to the IMF up to specified amounts when supplementary resources were needed. The members of this Group of Ten (G–10) are Belgium, Canada, West Germany, France, Italy, Japan, the Netherlands, Sweden, the United Kingdom, and the United States. Switzerland, informally associated with the Group for several years, was approved as a full participant in the GAB on December 26, 1983. See footnote 5 to document 77.

[8] At a meeting in Paris, January 18, 1983, the finance ministers and central bank governors of the Group of Ten decided to increase their aggregate credit commitments under the GAB from SDR 6.4 billion to SDR 17 billion ($7.1 billion to $19.0 billion). For text of the press communiqué, see *Global Economic Outlook*, pp. 446–449.

[9] For Treasury Secretary Regan's testimony before the committee on February 23, 1983, see *ibid.*, pp. 404–489; see also document 63 for a similar but shorter presentation before the House Budget Committee on March 7.

of our financial efforts will ultimately depend on adjustments in the trade accounts of developed and developing countries alike. Import cuts can provide only so much; export growth must lead the way in the recovery of the LDCs. Therefore, we must resist protectionist pressures and seek to preserve the system of open trade we helped to build.

The recession and high rates of unemployment in the West understandably have increased protectionist pressures. The 98th Congress will probably confront local content legislation, agricultural and other subsidies and a host of protectionist proposals directed at hard-hit sectors such as steel and autos.

These protectionist moves threaten to impede our own recovery and economic expansion generally. Quotas, tariffs, and other trade barriers raise costs to us and deny borrowing countries the hard-currency earnings needed to service their debts and buy our exports. Conversely, open trade speeds resources to their most productive uses and creates more jobs than it destroys.

That does not mean, however, that we should acquiesce in other nations' trade-distorting practices, especially those imposed on sectors such as agriculture and services, in which we enjoy a comparative advantage.

This is what we were discussing just before coming here, Mr. Chairman.

Subsidized agricultural exports from the EC, for example, have enabled European farmers to expand their share of third country markets at the expense of U.S. farmers. In response, we recently sold subsidized wheat flour to Egypt.

Temporary, trade-distorting measures such as the wheat flour transaction can be justified on the ground that "when all the world is mad, 'tis folly to be sane." But we should remember these are insane things to be doing.

Temporary measures tend to become permanent; and retaliation has an inherent tendency to escalate. Constructive negotiations—in which we meet unreason with reason—present the only lasting solution to protectionist problems such as export subsidies.

We have a situation emerging where, for example, through this competitive subsidy program various countries in the world will be producing butter, and as the butter gets sold in the world market and winds up in the Soviet Union, through this insane system of subsidies butter will be produced and sold to the Soviet housewife at about one-quarter the price the American housewife pays for it.

Can anyone explain why that makes sense? I do not see it.

We will, therefore, work within the GATT to remove barriers to the export of U.S. services and agricultural products. In addition, we will work on a bilateral basis, as I did on my trip to Japan, to roll back trade barriers. Difficult but important negotiations with the EC on agricultural trade subsidies are now in process. Finally, we will seek concrete ways of implementing the open trade pledges made by the major industrialized countries at the Versailles Summit and the GATT Ministerial.

Turning to the monetary system, trade is encouraged by stability in exchange markets—something we have not had in recent years. The instability of relative currency values over the last decade is basically a reflection of turbulent economic conditions. But several developments have created recent problems for the trading position of U.S. producers.

Financial flows, for example, are having a powerful effect on exchange rate movements. This presents difficulties from the standpoint of trade. During 1982 financial flows into the United States led to the greatest appreciation of the dollar since the beginning of floating rates in 1973. The strong dollar increased the price of U.S. exports and decreased the cost competitiveness of U.S. industry. Consequently, the U.S. trade deficit in 1983 is expected to widen.

Moreover, if large outyear budget deficits are not reduced, they will consume U.S. national savings, which already accumulate at the lowest annual rate in the industrial world. A shortage of savings would drive up both real interest rates and the dollar, thereby further widening our trade deficit.

In other words, what is happening to us here is we suddenly find ourselves in a kind of Switzerland position where big financial flows are having an effect on the value of the dollar. The market is behav-

ing just right. I mean it is reflecting what is happening. However, when you look at trade, that strong dollar is making our goods much less competitive in third markets, thereby presenting a real trade problem to us.

An additional problem we face in the international monetary system is the great volatility in exchange rates. For example, between May and November of 1982, the yen depreciated from about 230 yen to the dollar to 276, raising the price of U.S. exports in Japan and third country markets, and reducing the price of Japanese imports in the United States. By the end of the year, however, the yen had swung back to its previous level of 230.

This point was made very vividly to me by Lee Morgan, the head of Caterpillar Tractor. And the effect of the big swing was basically to knock Caterpillar out of a whole set of third-country markets. It is not because something was wrong with management or they did not know how to sell in third markets or whatever. It was the tremendous impact on them of the swing in exchange rates.

The solution to such excessive exchange rate volatility is not clear. What is clear, however, is that the problem warrants close study by the major currency countries.

Finally, even if we succeed in increasing LDC liquidity, preserving relatively open trade and decreasing volatility in the exchange markets, adjustment for many developing countries still will be difficult—in some cases, testing what the social fabric will bear. Developing countries have had to accommodate the recession in the West and their own financial problems by cutting imports and curbing economic growth. Aggregate real LDC growth this year will be about 1 to 1.5 percent—the lowest since 1950. African countries have been especially hard hit because of their dependence on exports of primary commodities. Increasingly desperate, they are tempted by repressive strategies and radical panaceas.

LDC austerity can, if excessive, risk political instability that endangers U.S. strategic interests. In this hemisphere, economic difficulties threaten to increase illegal immigration into the United States. Economic troubles were a factor in the recent expulsion of hundreds of thousands of Ghanians from Nigeria. And economic difficulties in the Sudan could, for example, threaten the U.S. interest in Middle East stability.

In short, our own strategic interests dictate the following rule: While LDC adjustment is necessary, such adjustment must take place within the limits of the politically possible, and with sufficient financial support to maintain stability and spark renewed growth.

This analysis has, by necessity, been quite general. Yet I think its implications are straightforward. The problems currently burdening the international economy—recession, high unemployment, LDC debt—all have a common solution: economic expansion. If growth in the world economy resumes and real interest rates fall, the debt burden of even the most heavily indebted countries will become manageable.

The key to recovery from the debt problems, however, lies in increased exports from developing countries. That increase is in turn dependent on an expansion of our own economy and those of other industrialized countries. Economic expansion anywhere can help everywhere—but not necessarily.

For if we expand, while simultaneously erecting protectionist barriers, neither the LDCs nor the industrialized countries will benefit from that mutually reinforcing boost to recovery provided by open trade. In shutting out goods from the rest of the world, we will incur not only the usual costs of protection—higher prices to consumers and jobs lost in the export sector—but retard our own recovery and threaten the world economic system as well.

Our challenge, therefore, is to revitalize the international financial system; preserve and extend the benefits of open trade; improve the monetary system; and insure political stability in the developing world. This administration is working hard to achieve these four objectives, all of which contribute to world economic expansion. Our own economy will play a leading role in that expansion. As a result, we have an opportunity to demonstrate the continued viability of our market-oriented economy, and the democratic institutions it supports.

Thank you, Mr. Chairman.

Document 53

Address by the Secretary of the Treasury (Regan) Before the Council on Foreign Relations, New York, September 13, 1983 [10]

The Foundations of U.S. International Economic Policy

Thank you very much for the warm welcome. It is a pleasure to be here this afternoon to discuss the international economic policy of the Reagan administration.

A career here in New York, followed by 30 months in Washington, has given me the opportunity to view things both from the perspective of a businessman and the perspective of a government official. Moving from one role to another, one learns to appreciate the true dimensions of the link between public policy and private enterprise.

An understanding of that linkage has been the foundation of both domestic and international economic policy under this Administration. Our policies and actions reflect a conviction that economic and social progress stems not from the dictates of government officials, but from the actions of individual citizens from all parts of our society, representing all sectors of our economy. It is the government's job to ensure that its policies and institutions provide a framework within which these actions can be freely taken, where the marketplace can function efficiently and effectively for the benefit of all.

This market-oriented approach is sometimes described as naive and simplistic. The experience of the last 2 1/2 years confirms, however, that it is the only way to obtain lasting economic progress. This is perhaps clearest in the vigorous economic recovery now underway in the United States. The recovery has brought a 9.2 percent growth rate in the second quarter, continued strong growth in the current quarter, unemployment dropping from 10.8 percent to 9.5 percent and an inflation rate of only 3.2 percent so far this year. But it is also borne out in the international arena. Examination of some key areas of this administration's current international economic policy reveals that they are realistic and capable of striking an appropriate balance among strongly conflicting interests.

I will spend a few minutes this afternoon describing our policies toward economic growth and development, the international monetary system, and international trade. I would then like to outline the decisionmaking mechanism we have been using to design and implement these policies. Finally, I will comment on the way in which interrelationships among the various aspects of our international economic policy are reflected in our response to the international debt problem.

The basic goal of all economic policy is to provide an environment which is conducive to economic growth and development. In that sense, it is almost redundant to say that this administration has a "policy toward growth and development." Nevertheless, in the common usage in which that phrase is associated with our relations with less developed countries, we do in fact have a consistent policy approach.

A vivid historical testimonial to the effectiveness of the free-market approach is the remarkable performance of the Western economic system in the first two postwar decades. Domestically, most of the major industrial economies were rebuilt along free-market lines. Internationally, the major factor underlying the ensuing growth performance was a dramatic expansion in world trade and capital flows—an expansion made possible only by the open trade and payments system that was put into place after the war. Shepherding the creation of a liberal Western economic system were three key international institutions—the IMF, the World Bank, and the GATT.

These same factors helped to make the postwar era a period of unparalleled improvement in the living standards of developing countries. The LDCs are not a homogeneous group, and, therefore, it is dangerous to make sweeping generalizations about them. But despite the diversity of their cultures, resource endowments, and other essential characteristics, there are some common themes which we believe are applicable in our economic relations with all developing countries.

These themes were reflected in the results of a comprehensive study of the mul-

[10] Source: Department of the Treasury files.

tilateral development banks which I commissioned early in this administration. [11]

Sound and disciplined domestic economic policies are necessary to enable these countries to make effective use of both their indigenous resources and resource flows from abroad. These include noninflationary monetary policy, budgetary discipline, realistic exchange rates, and avoidance of widespread subsidies and price controls. Capital inflows can make a major contribution to the development process—although as we have seen, it is possible for foreign capital to become a burden rather than a blessing if borrowing is excessive or if the funds are not used productively. Open and non-discriminatory policies toward foreign trade and private investment flows are crucial to attracting these funds, just as sound domestic economic management helps to ensure they are used productively and that the confidence of foreign investors is maintained.

While effective domestic economic management and private trade and capital flows are the most important factors in the growth process, there is also a role for development assistance in some cases. We do not believe continuous, massive resource transfers are the key to economic development: the international economy is not a zero-sum game in which the real income of one country can only be increased by transferring income from wealthier countries. But we recognize that there are cases in which needs are so pressing and key markets and institutions so underdeveloped that official financial flows on concessional terms can be an effective means of assisting the development process. In addition, when it is used correctly, official assistance can be a catalyst for even larger flows of additional private finance. For this reason, the Reagan administration has substantially increased bilateral economic assistance, and supports effective programs in the multilateral development banks.

Given the many links among national economies and the importance of international trade and investment flows, there is a critical need for a smoothly functioning international monetary system. It goes without saying that in our recent experience, the functioning of the system has *not* been as smooth as we would like. There have been many suggestions that performance could be improved considerably through systematic reforms—changes in the basic rules and institutions of the international monetary system. While we always need to be alert to ways the system can be strengthened, proposals for sweeping systematic changes are generally based on false premises.

It is clear that recent international monetary turbulence mostly reflects improper policy decisions by governments—rather than basic flaws in the system. Wide swings in exchange rates, severe debt problems, and other frictions in the system are part of the heritage of unsound and inflationary economic policies. We believe that the key to greater stability in the monetary system is to promote more uniformly sound economic policies and performance among its participants—eliminating the inflationary excesses that undermine a nation's international creditworthiness and the extreme disparities in economic performance which drive large exchange rate movements.

In order to promote this type of convergence in economic policies and performance, the United States sought, and obtained, agreement among Heads of State at the Versailles Summit to begin a process of frank and confidential consultations designed to identify troublesome economic differences. In the year between the Versailles and Williamsburg Summits, I chaired two meetings of Summit Finance Ministers and central bank Governors under this process, with participation by IMF Managing Director de Larosière — first in Toronto last September, and again in Washington in April.

In an Annex to the Williamsburg Communiqué, [12] we obtained reaffirmation of the central importance of economic convergence, and agreement that the process begun at Versailles should be enhanced by focusing on performance objectives and near-term actions to guide and hasten convergence. The first meeting under this enhanced consultation process will be held later this month at the time of the IMF/World Bank Annual meetings. [13]

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[11] Reference is to "United States Participation in the Multilateral Development Banks in the 1980's" (194 pp.), published by the Department of the Treasury, February 1982.

[12] See document 80.

[13] The annual IMF/World Bank meetings were held in Washington, September 27–30; for

Continued

At Williamsburg, we also agreed to improve consultations on exchange market conditions, and to engage in coordinated intervention at times to counter disorderly market conditions. With turbulent market conditions having arisen, coordinated interventions of this type led to some $250 million of U.S. market intervention in late July and early August. But as our Summit partners agreed at Williamsburg, and as recent experience has once again demonstrated, intervention is at most a very limited tool for dealing with very short-run disturbances. We were not then, and do not intend to, intervene to change the basic direction of exchange rates. The basic U.S. policy remains one of minimal intervention and reliance on the workings of the market.

The Reagan administration's support for free trade remains a basic cornerstone of our international economic policy. We recognize that postwar liberalization of the interventional trade and payments system—by restoring convertible currencies, gradually removing exchange and capital controls, and reducing tariffs and quotas—gave impetus to vigorous postwar economic growth, just as widespread protectionism contributed to the Great Depression. Only last week, President Reagan released a policy statement which spelled out clearly our commitment to free flows of international investment. [14] The essence of our international investment policy parallels our trade policy—we oppose measures which distort or impede international investment flows and believe that foreign investment flows which respond to market forces lead to more efficient international production, benefitting home and host country alike.

However, in the United States, as in virtually every other country in the world, recession and high unemployment have brought growing political pressures for protectionism. It is ironic that protectionist sentiment is becoming strongest at a time when economic recovery from the recession is well underway—ironic not just because one of the underlying causes of this pressure is therefore already fading, but also because unless resisted, widespread protectionism and retaliation could abort the very recovery that is restoring jobs—and creating new jobs—for millions of Americans.

It is thus easy to see why we consider it essential that these pressures be resisted; the difficult question is how to do so. We have exercised leadership in international consultations and negotiations, to roll back protectionism and build support for further trade liberalization. This type of forward movement is difficult to achieve in the current world economic environment, but I believe there is potential for significant progress in the agreements reached at the Williamsburg Summit for work programs in the OECD and GATT.

There is also beginning to be greater recognition of important linkages between trade policy and our efforts to deal with international financial and debt problems, linkages which had long been ignored due to the tradition of non-communication between trade and financial officials. Ambassador Brock and I hosted a dinner involving trade ministers and finance ministers from many of the industrial countries last spring to begin a dialog on trade/finance linkages. [15] While this may not appear to be an earth-shattering event, it was an interesting evening in at least one way.

It was the first international gathering I have attended at which the introductions of officials from within the *same* governments took longer than introductions of officials from *different* governments. Now that trade and finance ministers in each of these countries have finally met one another—and found out that they not only actually work within the same government but also sometimes even on the same problems—we are hoping to get down to some real business. More seriously, we intend to follow up on this initial meeting to ensure that trade and financial policies will be more mutually supportive of the

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President Reagan's address at the opening of the joint session on September 27, see document 67.

[14] Reference is to the statement issued by President Reagan, September 9, 1983, on U.S. international investment policy; see document 66.

[15] On the evening of May 10, 1983, following the conclusion of the Ministerial meeting of the OECD in Paris, Secretary Regan and Special Trade Representative Brock hosted a dinner at the Pré Catalan restaurant for the trade and finance ministers of about eight countries and representatives from the OECD, IMF, and GATT. Although not all invited trade and finance ministers were able to attend, the dinner provided an opportunity to discuss international economic issues from both a trade and finance perspective.

common objectives of an open and growing trading system.

In the Reagan administration, we have designed our internal decisionmaking process on international economic policy to ensure a thorough exploration of the implications of specific policy issues and the linkages among them. Although primary responsibility for specific areas of economic policy is assigned to individual departments, all significant policy options are identified by Cabinet groups reporting to the President.

Early in the Administration, a number of Cabinet Councils were established to bring together Cabinet officials with an interest in certain broad policy areas. The Cabinet Council mechanism, which focuses primarily on the domestic implications of policy decisions, was supplemented last year with a new Cabinet-level body called the Senior Interagency Group on International Economic Policy (or SIG–IEP). The SIG–IEP, which I chair and whose staff support is provided mainly by the Treasury Department, reports or makes recommendations on all major international economic policy decisions to the President, mainly through the National Security Council.

Its regular members include the Vice President, the Secretaries of State, Defense, Agriculture, and Commerce, the Directors of OMB and the CIA, the U.S. Trade Representatives, the Assistants to the President for National Security Affairs and Policy Development, and the Chairman of the Council of Economic Advisers. In addition, other Departments and agencies are represented for specific issues, to the degree necessary to ensure a thorough discussion of all domestic, international, and foreign policy or national security ramifications.

In its earliest meetings in the summer of 1982, the SIG–IEP focused primarily on pipeline sanctions against the Soviet Union—a divisive issue between us and our major allies. The SIG has now met 37 times. Its agenda has been broadened to encompass all areas of international economic policy. In addition, it has been backed up by constant preparation of studies and options papers under the auspices of the Treasury-chaired Interagency Group on International Economic Policy.

I believe the U.S. Government response to international debt problems over the past year provides a very good example of the linkages among economic issues, and of the operation of our present decisionmaking process. The first major country in which problems reached a crisis stage was Mexico in late August of last year. Led by the United States, major governments acted immediately to provide emergency financial assistance. This assistance, which ultimately totalled about $3.8 billion, took the form of temporary Treasury and Federal Reserve swap lines, international swap lines from the BIS, a U.S. contract to purchase oil for the Strategic Petroleum Reserve, and export credit guarantees by CCC, Eximbank, and their foreign counterparts. The energy package provided time for a series of discussions, both within the U.S. Government and internationally, to determine the exact nature of Mexico's financial and economic difficulties and options for dealing with them.

After initial steps were taken to handle the emergency in August of 1982, working groups were organized under the auspices of the SIG–IEP to consider both the specific responses that should be made in the case of Mexico and the broader issue of U.S. strategy to cope with the emerging debt problems in other countries. The current U.S. strategy, designed to permit an orderly economic adjustment in borrowing countries to permit them to regain creditworthiness and resume sustainable economic growth, was developed as a result of this process and endorsed by our major allies at Williamsburg.

The rationale for a vigorous response by the United States and the other creditor nations is our recognition of the interdependence of national economies. Unless handled carefully, a liquidity crisis in a major borrowing country could threaten the stability of the entire international monetary system. In addition, interdependence implies that in the long run, the resumption of a healthy economic expansion in troubled debtor countries helps safeguard growth prospects in all other countries. From the immediate perspective of the United States, neither our current recovery nor our longer-term growth prospects would be well served by the economic collapse of our major Latin American trading partners. Finally, commercial banks tend to pull back from international lending in response to international liquidity problems, but international trade cannot take place without continued financial flows.

For all of these reasons, a forceful government response was imperative. However, the basic premises of that response follow from our market-oriented approach to economic policy. Our strategy has been designed to get effective adjustment programs in place in troubled borrowing countries, reducing external borrowing requirements and creating the sound policy environment needed to make effective use of both domestic resources and future foreign borrowing. At the same time, we have worked to maintain the international lending, particularly from commercial banks, necessary for orderly economic relations.

In the case of Mexico, our emergency financing package was followed up by negotiations among the Mexican government, the IMF, and commercial banks. The IMF approved a strong 3-year program of economic adjustment, designed to control inflation and public spending and to bring down the ballooning current account deficit. In addition, a liberalization of Mexico's trade and payments system was set in motion, supported by an exchange rate policy which reflected the realities of the marketplace.

To facilitate Mexico's courageous adjustment efforts, the IMF is providing a total of $3.9 billion of balance of payments financing over a 3-year period. Commercial banks, in turn, initially rolled over $10 billion of maturing debt, and then recognized Mexico's adjustment efforts by providing $5 billion of new net lending for 1983. In addition, they have begun negotiations to reschedule $20 billion of public sector debt, with $11 billion of that rescheduling completed at the end of last month.

Although the basic strategy developed by the SIG–IEP for responding to debt problems is in place, the SIG continues to monitor the situation regularly and periodically reconsiders policy options. So far, although Mexico's adjustment effort is far from ended, we are very encouraged by the progress that has been made. Economic measures are taking hold, with the current account swinging from deficit to surplus and inflation and the public sector deficit starting to decline. An indication of new-found financial strength was Mexico's ability to repay on schedule, by the end of August, all of the emergency swap lines extended last year.

The basic mechanisms are now in plac for successful management of the interna tional debt problem, although there ma be occasional difficult periods over th next year or two. Even in the case o countries like Brazil, which are not as fa down the road to successful conclusion, i is clear what needs to be done and th work is proceeding. The Brazilian prob lem has been very much on our minds i recent months, and all parties have bee putting forth their best efforts to resolv it. Although the situation is complex an difficult, we are increasingly optimisti about the eventual outcome.

The debt problem is one we would hav preferred not to inherit. But as has bee the case when we have applied ou market-oriented approach to other area it is a challenge that this administration' international economic policy has prove capable of meeting. We do not follo market-oriented policies just as a matte of faith, or because we are ideologues—w follow them because experience has den onstrated they work.

Our overall policy approach has led t an improvement in American economi performance, and in the internationa arena, has served well both the Unite States, and those of our trading partner who have adopted a similar approach. fully expect this administration's interna tional economic policy to be a continue source of economic progress as we me the challenges of the future.

Thank you.

B. Trade and Commercial Policy

Document 54

Address by President Reagan Before the Commonwealth Club, San Francisco, March 4, 1983 [1]

The Trade Challenge for the 1980's

Thank you very much for a warm welcome that warms my heart. And I will confess that it is, kind of lump-in-the-throat time, also. Henry, I thank you very much. Mr. Chairman, the distinguished ladies and gentlemen here at the head table, I almost feel like we all should be going back to Sacramento. (Laughter)

Forgive me for a bit of nostalgia here. I remember, so well, those previous eight times, and many of them during those happy days in Sacramento. And this time, I can claim the best of both worlds, a California homecoming and a reunion with my fellow members of the Commonwealth Club—all wrapped up in one. And Nancy and I could not think of a better way to spend our anniversary. (Laughter; applause)

But it is a pleasure to be back here where the crossroads of trade are meeting places for ideas that stretch our sights to the limits of the horizon and beyond. This Golden Gate city is a place where entrepreneurs with great dreams, daring and determination chart new paths to progress through the winds and waters of commerce.

You provide an appropriate setting for an American challenge for the 1980's. With the help of your vision, courage, and leadership, we can begin the first leg of a new voyage into the future, a future in which commerce will be king, the eagle will soar, and America will be the mightiest trading nation on earth.

I have not come here to echo those faint hearts who have little faith in American enterprise and ingenuity. They plead for retreat and seek refuge in the rusty armor of a failed, protectionist past. Well, I believe, and I think you do too, that the world hungers for leadership and growth, that America can provide it. And my message is that our administration will fight to give you the tools you need, because we know you can get the job done.

Our forefathers didn't shed their blood to create this Union so that we could become a victim nation. We're not sons and daughters of second-rate stock. We have no mission of mediocrity. We were born to carry liberty's banner and build the very meaning of progress, and our opportunities have never been greater. We can improve the well-being of our people, and we can enhance the forces for democracy, freedom, peace, and human fulfillment around the world, if we stand up for principles of trade expansion through freer markets and greater competition among nations. (Applause)

In dealing with our economy, more is in question than just prosperity. Ultimately, peace and freedom are at stake. The United States took the lead after World War II in creating an international trading and financial system that limited government's ability to disrupt trade. We did this, because history had taught us the freer the flow of trade across borders, the greater the world economic progress and the greater the impetus for world peace. (Applause) But the deterioration of the free world and U.S. economies in the 1970's led to the decline of Western security and the confidence of the people of the free world.

Too many otherwise free nations adopted policies of government intervention in the marketplace. Many people began thinking that equity was incompatible with growth. And they argued for no-growth societies, for policies that undermined free markets and compromised our collective security. There can be no real security without a strong Western economy. And there can be no freedom unless we preserve the open and competitive international and financial system that we created after World War II. Prosperity alone cannot restore confidence or protect our basic values. We must, also, remember

[1] Source: White House Press Release, March 4, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, March 14, 1983, pp. 337–343. The source text is the text as actually delivered.

our objectives of peace and freedom. And then, we can build a prosperity that will, once again, lift our heads and renew our spirits.

Now, I am not going to minimize the problems that we face or the long, tough road that we must travel to solve them. For a quarter of a century after the second World War, we exported more goods each year to the rest of the world than we imported. We accumulated a surplus of funds which was invested at home and abroad, and which created jobs and increased economic prosperity. But during the past decade, we began importing more than we were exporting. Since 1976, imports have exceeded exports every year. And our trade deficit is expected to rise sharply in this year of 1983.

In the past few years, high real interest rates have inhibited investment, greatly increased the value of the dollar, and made our goods—as a result—less competitive. High interest rates reflect skepticism by financial markets that our government has the courage to keep inflation down by reducing deficit spending.

Well, if the history of our great nation and the character of this breed called American mean anything at all, it is that, when we have believed in ourselves, when we pull together—putting our wisdom and faith into action, we made the future work for us. And we can do that now.

Wealth is not created inside some think-tank on the Potomac. It is born in the hearts and minds of entrepreneurs all across Main Street America. For too long, government has treated the entrepreneur more as an enemy than an ally. Our administration has a better idea. We'll give you less bureaucracy, if you give America your audacity. (Applause) We want you to out-plan, out-produce, and out-sell the pants off this nation's competitors. (Applause) You see, I believe in what General Patton once said, and I'm partial to cavalry officers. (Laughter) He said, "Don't tell people how to do things. Tell them what needs doing and then watch them surprise you with their ingenuity." (Applause)

Every citizen has a role and a stake in helping the United States meet her trade challenge in the 1980's. We need jobs. Well, one of the best job programs we can have is a great national drive to expand exports and that's part of our program.

We have only to look beyond our own borders. The potential for growth is enormous: A $2 trillion market abroad, a chance to create millions of jobs and more income security for our people. We have barely seen the tip of that iceberg. Four out of five new manufacturing jobs created in the last five years were in export-related industries. And yet 90 percent of American manufacturers do not export at all. We believe tens of thousands of U.S. producers offer products and services which can be competitive abroad. Now, many of these are small- and medium-sized firms.

Our administration has a positive plan to meet the trade challenge on three key points. First, lay a firm foundation for non-inflationary growth based on enduring economic principles of fiscal and monetary discipline, competition, incentives, thrift and reward. Second, enhance the ability of U.S. producers and industries to compete on a fair and equal basis in the international marketplace; work with our trading partners to resolve outstanding problems of market access, and to chart new directions for free and fair trade in the products of the future. Third, take the lead in assisting international financial and trade institutions to strengthen world growth and bolster the forces of freedom and democracy. Taken together, these actions give the United States a positive framework for leading our producers and trading partners toward more open markets, greater freedom and human progress.

But progress begins at home. Our economic reforms are based on time-tested principles: Spending and monetary restraint to bring down inflation and interest rates, and to give leaders [2] confidence in long-term price stability; less regulatory interference so as to stimulate greater competition; and growth of enterprise and employment through tax incentives to encourage work, thrift, investment and productivity.

Now, we've suffered a long, painful recession brought about by more than a decade of overtaxing and spending and yes, government intervention.

But recession is giving way to a rainbow of recovery, reflecting a renaissance in enterprise. America is on the mend.

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[2] Lenders. [Footnote in the source text.]

Inflation has plunged from 12.4 percent in 1980 to just 3.8 percent in the last 12 months. And in the last six months, it's been running at 1.4 percent. We've sought common sense in government and competition, not controls in the marketplace. Two years ago, we accelerated the deregulation of crude oil. And we heard ourselves denounced for fueling inflation. Well, the national average for a gallon of gasoline when we took office was $1.27 and now you can buy it in most places for less than a dollar. The prime interest rate was a crippling 21 1/2 percent. Now, it's down to 10 1/2 percent. Tax rates have been cut. Real wages are improving. Personal savings and productivity are growing again. The stock market has hit a record high. Venture capital investments have reached record levels. Production in housing, autos and steel is gaining strength. And new breakthroughs in high technology are busting out all over. Katy, bar the door. We're on our way back. (Applause)

Let me say to the pessimists who would cancel our remaining tax incentives, I have one thing to say: Don't lay a hand on the third year of the people's tax cut or the indexing provision. Indexing is our promise—(applause)—it's our promise to every working man and woman that the future will not be like the past. There will be no more sneaky, midnight tax increases by a government resorting to bracket creep to indulge its thirst for deficit spending. To pretend eliminating indexes is somehow fair to working people reminds me of Samuel Johnson's comment about the fellow who couldn't see any difference between vice and virtue. He said, "Well, when he leaves the house, let's count the spoons." (Laughter)

Capping the third year tax cut and eliminating indexing and our remaining tax cuts would send the worst possible signal to potential exporters. As I mentioned, 90 percent of U.S. businesses do not export at all. And about 85 percent of our firms pay their taxes by the personal income tax. If those who would dismantle the tax cuts get their way, the chilling message to the business community will be: "Don't scrap and struggle to succeed, export, expand your business and hire more workers because we won't thank and reward you for helping your country. We'll punish you."

Well, maybe I'm old-fashioned, but I don't think pitting one group of Americans against another is what the Founding Fathers had in mind. This nation was not built on a foundation of envy and resentment. The dream I've always believed in is, no matter who you are, no matter where you come from, if you work hard, pull yourself up and succeed, then, by golly, you deserve life's prize. And trying for that prize made America the greatest nation on earth. Let us create more opportunities for all our citizens. And let us encourage achievement and excellence. We want America to be a nation of winners again.

So you might as well know that we will not turn our backs on the principles of our recovery program, especially on the principles of free trade. The great English historian, Thomas Babington Macaulay, wrote more than a century ago that free trade, one of the greatest blessings which a government can confer on a people, is unpopular in almost every country. Well, for some, times haven't changed.

There is a great hue and cry for us to bend to protectionist pressures. Well, I've been around long enough to remember that when we did that once before in this century, something called Smoot–Hawley,[3] we lived through a nightmare. World trade fell by 60 percent, contributing to the Great Depression and to the political turmoil that led to World War II. We and our trading partners are in the same boat. If one partner shoots a hole in the bottom of the boat, does it make sense for the other partner to shoot another hole in the boat? There are those who say yes and call it getting tough. I call it getting wet—all over. (Laughter) (Applause)

We must plug the holes in the boat of open markets and free trade and set sail again in the direction of prosperity. No one, no one should mistake our determination to use our full power and influence to prevent anyone from destroying the boat and sinking us all. There's a fundamental difference between positive support of legitimate American interests and rights in world trade and the negative actions of protectionists. Free trade can only survive if all parties play by the same rules. But we're determined to ensure equity in our markets, defending workers in industries from unfair and predatory trade practices is not protectionism. It's

[3] Reference is to the Tariff Act of 1930 (P.L. 71-361), approved June 17, 1930; for text, see 46 Stat. 590.

legitimate action under U.S. and international law.

Now, one example of protectionist legislation that could quickly sabotage recovery is the local content rule.[4] This legislation, proposed in the Congress, would force foreign and domestic manufacturers of automobiles sold in the United States to build their cars with an escalating percentage of U.S. parts and domestic labor. The Congressional Budget Office concluded that this would destroy more jobs than it would save. And that's true. It would add substantially to the cost of a new car.

What the proponents of this bunker mentality never point out is that the costs of protectionism for one group of workers are always passed on to another group down the line. And once such legislation is passed, every other industry would be a target for foreign retaliation. We would buy less from our partners. They'd buy less from us. The world economic pie would shrink. Chances for political turmoil would increase dramatically.

Rather than reacting in fear with beggar-thy-neighbor policies, let us lead from strength and believe in our abilities. Let's work at home and abroad to enhance the ability of U.S. producers and industries to compete on a fair and equal basis in the international marketplace.

We are very excited about some landmark legislation that I signed last year—signed, as a matter of fact, here in California: The Export Trading Company Act.[5] It is an innovative idea based on teamwork. I am confident it will create thousands of new exporters. And I hope some of them are sitting in this room. The law is designed to attract manufacturers, export-management companies, banks, freight-forwarders, and other export services into joint efforts to gain foreign markets. The Commerce Department is holding seminars across the country to promote the legislation. And the response has been remarkable.

Thousands have attended. And in some cases, the numbers were so overwhelming people had to be turned away. The majority of attendees have not been lawyers, tax accountants or, forgive me, bankers, but business people—(laughter)—the people who can take this legislation and use it. They can expand our markets, become exporters, or sell to export trading companies who can do it for them. The bottom-line will be a breakthrough in exports, higher growth, lower deficits, and a tremendous surge in new jobs and opportunities for our people. Each billion dollars that we add in exports means tens of thousands of new jobs.

More companies will seek the world of exports when they realize that government is not an adversary. It is your partner, and I do not mean, senior partner. We have eased, substantially, taxation of foreign-earned income, and introduced a 25 percent tax credit for research and development. We are, also, working to reform the Foreign Corrupt Practices Act,[6] not to weaken safeguards against bribery, but to remove disincentives that discourage legitimate business transactions overseas.

Another obstacle is export controls on technology. A backlog of two thousand applications greeted us when we arrived in office. We eliminated those and relaxed export controls on low technology items that do not jeopardize our national security. Still, there are limits I am sure each of you understand. We must avoid strengthening those who wish us ill by pursuing short-term profits at the expense of free-world security. Trade must serve the cause of freedom, not the foes of freedom.

To export more, we must do a better job promoting our products. We are strengthening our export credit programs by increasing the level of the Export-Import Bank ceiling on export guarantees. We are, also, designing a tax alternative to the Domestic International Sales Corporation that will fully maintain existing incentives to our exporters. We have begun a Commodity Credit Corporation blended

[4] Reference is to H.R. 5133, "The Fair Practices in Automotive Products Act," introduced in the House of Representatives by Richard L. Ottinger on December 8, 1981. The bill, which established domestic content requirements for motor vehicles sold in the United States, was passed by the House but not the Senate during the 97th Congress.

[5] For text of the Export Trading Company Act (P.L. 97-290), enacted October 8, 1982, to encourage the formation and activities of export trading associations and companies, see 96 Stat. 1233.

[6] The Foreign Corrupt Practices Act of 1977 (P.L. 95-218), approved December 19, 1977, provided for penalties against firms attempting to gain business abroad through illegal payments for foreign officials; for text, see 91 Stat. 1494.

export credit program for our farmers.[7] And that is in addition to the increases this year in the regular loan guarantee program for promoting U.S. farm exports.

To retain America's technological edge—of which there is no greater evidence than California's Silicon Valley—and to revive our leadership in manufacturing, we have implemented an R&D policy to enhance the competitiveness of U.S. industry in the world economy. In our 1984 budget, we have asked for significant increases for basic research. And we will seek to improve the teaching of science and mathematics in secondary schools, so tomorrow's work force can better contribute to economic growth. (Applause)

We will also seek to encourage greater and more creative interaction between university and industry scientists and engineers, through programs similar to the one between Hewlett Packard and Stanford University.

Finally, we're taking steps to encourage more industrial R&D through changes in our tax and antitrust policy; and we will attempt to remove legal impediments that prevent inventors of new technology from reaping the rewards of their discoveries.

Supporting American producers gives us the means to press our trading partners toward more free and open markets. We're challenging the unfair agricultural trade practices of Japan and the European Community. And we're charting a new course for the products of the future. We have agreed to a work program with the government of Japan to eliminate trade and investment barriers to high technology industries. We have also established a working group with the Japanese to actively explore opportunities for the development of abundant energy resources.

By restoring strength to our economy, enhancing the ability of our producers to compete, America is leading its trading partners toward renewed growth around the world. The world economy, like ours, has been through a wrenching experience: a decade of inflation, ballooning government spending and creeping constraints on productive enterprise. Other countries, including many of the developing countries, are now making major efforts to restrain inflation and restore growth. The United States applauds these efforts and we're working in the International Monetary Fund to keep a firm focus on the role of effective domestic policies in the growth and stability of the world economy.

But for all countries, international trade and financial flows are extremely important. Either the free world continues to move forward and sustain the postwar drive toward more open markets, or we risk sliding back to the tragic mistakes of the 1930's, when governments convinced themselves that bureaucrats could do it better than entrepreneurs. The choice we make affects not only our prosperity, but our peace and freedom. If we abandon the principle of limiting government intervention in the world economy, political conflicts will multiply and peace will suffer. That's no choice at all.

The United States will carry the banner for free trade and a responsible financial system. These were the great principles at Bretton Woods, New Hampshire, in 1944, and they remain the core of U.S. policy. We will do so well aware of the changes that have occurred in the international trade and monetary system.

In trade, for example, we have practically eliminated the barriers which industrial countries maintain at the border on manufactured products. Today, tariffs among these countries average less than 5 percent. Our problems arise instead from non-tariff barriers which often reflect basic differences in domestic economic policies and structures among countries. These barriers are tougher to remove. We are determined to reduce government intervention as far as possible, and where that is unrealistic, to insist on limits to such intervention.

In trade with developing countries, on the other hand, tariffs and quotas still play a significant role. Here, the task is to find a way to integrate the developing countries into the liberal trading orders of lower tariffs and dismantled quotas. They must come to experience the full benefits and responsibilities of the system that has produced unprecedented prosperity among the industrial countries. We've taken the lead, proposing the Caribbean Basin Initiative to encourage poor and middle-income countries to trade more, and we proposed a North-South round of trade negotiations to maintain expanding trading opportunities for more advanced

[7] See *infra*.

developing countries. We seek to build a collective partnership with all developing countries for peace, prosperity and democracy.

At the GATT ministerial meeting last November, the United States took the lead in resisting protectionism, strengthening existing institutions, and addressing the key trade issues of the future. While we're not totally satisfied with the outcome of that meeting, we'll continue in our support of free and equal trade opportunities for all countries.

Expanding trade is also the answer to our most pressing international financial problem—the mounting debt of many developing countries. Without the opportunity to export, debt-troubled countries will have difficulty servicing, and eventually reducing, their large debts. Meanwhile, the United States will support the efforts of the international financial community to provide adequate financing to sustain trade and to encourage developing countries in the efforts they are making to improve the basic elements of their domestic economic programs.

Earlier this week I forwarded draft legislation to the Congress for additional American support for the International Monetary Fund. [8] Leading by the IMF has a—or lending, I should say, has a direct impact on American jobs and supports continued leading—or lending by commercial institutions. If such lending were to stop, the consequences for the American economy would be very negative.

This spring, in May, the United States will host the annual Economic Summit of the major industrial countries in Williamsburg, Virginia. The leaders of the greatest democracies will have a quiet opportunity to discuss the critical issues of domestic and international economic policy and reflect on their individual and collective responsibilities to free peoples throughout the world. It's not a forum for decisionmaking. Each leader is responsible primarily to his or her own electorate. But by exchanging views, these leaders can gain a better understanding of how the future of their own people depends on that of others.

And may I just interject here, something brand new in international relations has been brought about by one Prime Minister Margaret Thatcher. When we sit around those summit tables, the protocol is gone and we're all on a first-name basis. And she saw to that.

I began today by saying that if we believe in our abilities and work together, we can make America the mightiest trading nation on earth. Here in this room, and not far from this building, are people and companies with the burning commitment that we need to make our country great. One of those companies, the Daisy Systems Corporation, is a computer firm in Sunnyvale, California. It was formed in August, 1980, and it made $7 million in sales its first shipping year. This year it expects to earn $25 million, and by 1986, $300 million. Daisy Corporation is already selling its products in the markets of France, Norway, Belgium, Great Britain, Germany, Israel, and Japan. Its workforce has nearly quadrupled in the last year.

Well, my dream for America, and I know it's one you share, is to take that kind of success story and multiply it by a million. We can do it. Albert Einstein told us, "Everything that is really great and inspiring is created by individuals who labor in freedom." With all the wisdom in our minds, and all the love in our hearts, let's give of ourselves and make these coming years the greatest America has ever known.

Thank you very much. And God bless you. (Applause) And God guide us all. (Applause)

[8] See document 62.

Document 55

Statement by the Secretary of Agriculture (Block) Before the House Agriculture Committee and the House Foreign Affairs Committee, April 7, 1983 [9]

U.S. Efforts To Reverse the Decline in Agriculture Exports

I would like to go through some written remarks here for the committees and then

[9] Source: *Review of Agricultural Trade Issues: Joint Hearing Before the Committee on Agriculture and*

Continued

be prepared to answer any questions that you may have.

In opening I would like to say that I am pleased to have with me today Dick McCormack and Don Nelson. The Department of Agriculture is working very closely and I would say very harmoniously with both the State Department and the U.S. Trade Office on many issues involving agricultural trade.

In fact, Dick McCormack and I are just back from a trip to the Middle East, Tunisia, Egypt, Saudi Arabia, and finally Turkey. I feel we did make some progress on that trip.

CHAIRMAN DE LA GARZA. Mr. Secretary, without objection your full statement [10] will appear in the record as well as those of the other two gentleman if they have prepared statements.

SECRETARY BLOCK. Thank you, Mr. Chairman.

I do appreciate the invitation to discuss with the two committees agricultural trade and the work of the Department of Agriculture to help increase exports of U.S. agricultural products.

This hearing is most timely. There has been a slowdown in agricultural exports that has given a special urgency to the Department's efforts to maintain and expand agricultural exports. At the same time pressures have mounted to turn away from our historical posture of liberal trade in agriculture, a position that has served our producers well, and move toward increasing Government intervention in the trade process.

So, I welcome this opportunity to discuss some of the initiatives that we have taken to move agricultural exports upward again and to reaffirm our commitment to the principles of freer trade as the best course for solid, sustainable growth in U.S. agricultural exports.

President Reagan's position on trade is clear—spelled out in his speech to the Nation's farm editors a year ago, [11] in his State of the Union message in January, [12] and most recently in his trade policy address in San Francisco. [13]

He has proposed a broad strategy in the field of international trade that increases the openness of the world trading system and is more fair to American farmers in the world marketplace. He has asked for new negotiating authority to remove barriers to get more of our products into foreign markets.

His objective is freer, more open world trade based on market forces, but with the recognition that, as he said in San Francisco "Free trade can only survive if all parties play by the same rules."

The President has taken significant actions to enhance agricultural trade. He lifted the Soviet grain embargo, and has sought aggressively to restore American agriculture's reputation as a reliable supplier.

He spelled out to the farm editors a clear agricultural export policy that has three essential priorities: One, restrictions will not be imposed on farm exports because of rising domestic prices; two, farm exports will not be singled out as an instrument of foreign policy; and three, world markets must be freed of trade barriers and unfair trade practices.

The administration trade policy objective is to preserve and extend the benefits of freer trade. This will require continued resistance to protectionist pressures at home while we continue to urge foreign governments to eliminate trade distorting policies.

The practices of some foreign governments pose extremely difficult issues for U.S. trade policy. The European Economic Community now engages in massive subsidized export action of agricultural products to dispose of the surpluses created by its high internal price-support program. Other countries, such as Japan, severely limit market access. These meas-

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the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session (Washington, 1983), pp. 2–7. Congressman E. (Kika) de la Garza, Chairman of the Agriculture Committee, presided over the joint hearing.

[10] For text of the prepared statement, which differs only slightly from Block's actual testimony, see *ibid.*, pp. 88–99.

[11] Reference is to President Reagan's remarks to representatives of agricultural publications and organizations made on March 22, 1982; for text, see *Weekly Compilation of Presidential Documents*, March 29, 1982, pp. 357–361.

[12] For text of the President's State of the Union address to Congress, January 25, 1983, see *ibid.*, January 31, 1983, pp. 105–112.

[13] *Supra.*

ures depress world prices of agricultural products, imposing substantial costs on U.S. producers in a sector where the United States holds a clear comparative advantage.

The United States traditionally seeks to induce other nations to move in the direction of freer trade and away from Government interference, and we will continue to do that. This policy has served this Nation and the agricultural economy well. U.S. farm exports tripled between 1971–1981—creating jobs and many other economic benefits.

We intend to continue to resist protectionism and other market distortions, but at the same time we are prepared to support and defend American agriculture's legitimate rights and interests in international trade.

We recognize our obligation as a government to do all that we can to give the efficient U.S. agricultural producer the opportunity to compete fairly in the world market, and we will fulfill that obligation.

The value of our agricultural exports is down—by close to $5 billion in fiscal year 1982 from the record $43.8 billion in fiscal year 1981, with indications of a further decline in the current year. While part of this decline is due to lower prices, export volume for most commodities is also down.

We share with the rest of the U.S. economy the negative effect on exports of the global recession and the strong dollar. But we also face some problems that are peculiar to agriculture: Our situation is aggravated by record world crops of grain and oilseeds, huge supplies in both importing and exporting countries, and by a number of special problems that affect our competitive position.

One important aspect of that current slump in exports is the fact that not only are U.S. agricultural export totals declining, the U.S. share of the world market also has turned down.

This is readily apparent in wheat and feed grains. Despite the fragile condition of the world economy, world wheat consumption and import demand have continued relatively strong. U.S. wheat exports, however, are declining sharply this year, after a large increase last year. In the absence of any efforts by the European Community to restrain subsidized exports, we project a decline in our wheat shipments in the neighborhood of 7 million tons for 1982–83, while those of our competitors are projected to increase by about 6 million tons.

World production and consumption of feed grains has also been increasing. However, production has been increasing faster than consumption for the past 2 years, and the level of world trade has dropped.

This has brought a decline in U.S. feed grain exports, as might be expected, from 72.4 million tons in 1980–81 to a projected 55.9 million tons this year. But we are losing not only because of lack of demand—we are losing to competition. The increase in shipments by other suppliers explains some of the U.S. decline in feed grain exports. The rest comes primarily from the drop in demand, particularly from the U.S.S.R. and Eastern Europe.

We are concerned, also, about the drop in exports for numerous other commodities including cotton, soybean meal and oil, rice, and poultry. Moreover, our share of the world cotton market, for example, fell from 40 to just over 30 percent from 1980 to 1982. Our meal and oil share went from 40 to 30 percent in 3 years and our broiler share is down by one-third.

There are many reasons for these export losses. The greatest adverse effects on our exports stem from a worldwide recession and a strong U.S. dollar overseas. Other reasons include the increased use of subsidies by competitor nations, and the continuing effect of the 1980 embargo on sales to the Soviet Union, when the U.S. share of the Soviet market for grain plunged from about 70 percent to less than 24 percent.

After President Reagan lifted the embargo in 1981, U.S. exports to the Soviet Union increased—reaching 13.9 million tons in fiscal 1982. This was an increase of more than two-fifths from the embargo level and close to the level of pre-embargo shipments. However, those 13.9 million tons still represented only 35 percent of the U.S.S.R. grain market last year.

And in the current year, the Soviet Union remains the single largest market for grains—more than doubling in size in 4 years—and U.S. farmers have lost that growth to competitor countries. The em-

bargo stimulated production in those countries, and they have increased their sales to other markets as well as to the Soviet Union.

The decline of U.S. agricultural exports is a cause for serious concern. It means that we have serious competitive problems that prevent us from holding our own with other exporting countries.

Our projections for the next 2 years show that U.S. exports will continue to decline unless we act forcefully to restore our position.

We are streamlining and adapting the tools provided under our existing authorities to be more effective and to reverse the decline. We have taken new initiatives and are studying others to bolster U.S. agriculture's competitive ability.

We are especially interested in the results from the new ways in which we are using export credit, particularly the blended credit program.

This program was developed primarily to enhance U.S. export opportunities in those developing countries, which, as a group, were a leading growth market until the credit crunch sharply reduced their ability to buy. We felt blended credit would be an effective tool to facilitate import financing by these countries, offering prospects for immediate U.S. export sales, and laying the groundwork for long-term export growth.

The blended credit program uses Commodity Credit Corporation—(CCC)—GSM–5 direct credit and GSM–102 commercial export credit guarantees. Direct credit, offered interest-free, is combined with credit guarantees in a single package to produce an interest rate competitive with those offered by other suppliers. [14]

The blended credit program was announced last October 20 at $1.5 billion over 3 years. One hundred million dollars in direct, interest-free government credit was to be blended with at least $400 million in credit guarantees during fiscal 1983, with like amounts scheduled for each of the next 2 fiscal years.

The response from foreign governments in importing nations was immediate and enthusiastic which used up the original $500 million in less than 2 months. President Reagan followed with a January 11 allocation of $250 million more interest-free credit to be blended with at least $1 billion in credit guarantees to finance at least $1.25 billion in additional blended credit export sales during fiscal 1983.

One month after the announcement, the first credits were approved under the new program—for the sale of corn, rice, soybeans, and lumber to Jamaica.

The first $500 million of blended credit was allocated to eight countries. These included Morocco where, with blended credit and straight credit guarantees, we were able to supply virtually all of Morocco's wheat import requirements of almost 2 million tons. This is a market that has been dominated by subsidized wheat from France.

Another credit package, negotiated on the scene with the Yemen Arab Republic, allows that country to increase its imports of wheat and rice, giving U.S. agriculture 100 percent of those markets this year.

Another package opened the door for the United States to penetrate the new and growing Philippine market for soybean meal, and still another cleared the way for the first substantial sale of U.S. cotton to Yugoslavia in almost 15 years.

The response among importing countries to the second blended credit authorization has been equally positive, and the number of applications for its use insures that the entire amount will be used.

As of last week, blended credit had been allocated to finance the export sale of more than 7 million tons of U.S. agricultural products. They include wheat and wheat flour, corn, rice, cotton, soybeans and meal, tallow, tobacco, vegetable oil, eggs, semen, and lumber.

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[14] Under current agricultural policy GSM–5 direct credit is seldom offered except in conjunction with GSM–102. When it is offered alone, it usually carries an interest rate set by the Commodity Credit Corporation. The purpose of the two credit programs is to increase U.S. agricultural exports by making it possible for foreign buyers to purchase U.S. commodities on affordable credit terms. The interest rate charged customers, either resulting from a blended credit mix or a rate set by the CCC, depends upon competing rates offered by other foreign exporters and the purchasing nation's economic circumstances.

We have also completed a supply agreement with Mexico, which I signed in February, using private export credit. Mr. Chairman, you were with us on that trip when we were in Mexico. It covers 6.2 million tons of U.S. corn, sorghum, soybeans and other commodities during 1983 and provides over $1 billion in U.S. credit guarantees to facilitate these sales.

This aggressive use of credit in new ways and with existing programs is important beyond the increases in export totals that have been generated. We are penetrating markets in the face of competitor export subsidies and helping our exporters into markets that, while currently suffering some financial constraints, offer good growth potential as conditions improve.

To meet our needs in this effort, the authorization for the GSM-102 program in fiscal year 1983 has been increased to $4.8 billion from $2.8 billion last fiscal year and when this Secretary of Agriculture came to office we had $2 billion. Now we have over $5 billion in total of guaranteed and direct credit.

We continue, of course, to use Public Law 480 [15] to support market expansion, and we made a special effort this fiscal year to speed up the programing of Public Law 480 Titles I/III. As a result, agreements signed during the first quarter of fiscal 1983 totaled $391 million, representing nearly 50 percent of total dollar allocations for the year. This is well above the 10-year average for this period and exceeds the dollar amount and the percentage signed for any of the 10 years.

In our budget request for fiscal 1984, we have asked for an increase of $13 million in the Title I/III sales over fiscal year 1983 to $872 million. This level of funding will provide long-term financing for about 3.7 million metric tons of commodity exports.

The committees are familiar with our efforts to negotiate an end to the use of subsidies by the European Community—subsidies that undercut market prices, erode U.S. markets, and absorb growth that would have gone to U.S. producers.

We have met with the Community four times since the GATT Ministerial last November failed to come to grips with the issue of agricultural export subsidies. While we are not necessarily confident that we can negotiate a satisfactory solution with the EC very soon, we will continue to make every effort to do so and at the same time continue policies that help us remain competitive.

The administration is committed to resolving this issue through negotiation, but meanwhile it is imperative—and only fair—that we do all that we can to defend our markets.

I have described our major efforts in this regard—blended credit, credit guarantees, and others—and I am pleased with their results.

The arrangement completed in January for the sale of 1 million tons of U.S. wheat flour to Egypt is a somewhat different type of arrangement and it is working out very well. This was a limited, selective action intended to make U.S. wheat flour competitive in price in the face of export subsidies of other nations.

In the past few years, the Egyptian market for flour imports has been dominated by the European Community through its use of export subsidies. We worked out an arrangement with the Egyptians that allowed us to supply that market through the creative use of CCC credit guarantees and competitive pricing. The package includes credit guarantees under GSM-102 along with a competitive price to be made possible through the awarding of CCC-owned wheat to American millers who bid successfully for the business. This is based on a negotiated price of $155 a ton delivered to Egypt.

The Egypt flour sale was possible under authorities of the Commodity Credit Corporation Charter Act, and we obviously could use those authorities again. We obviously can use them and we will use them again when we feel it is warranted.

We have made considerable use of existing authorities in ways that will increase our agricultural exports, especially in those areas where we face subsidized competition. We view some of these uses as only temporary, but we will continue to

[15] Reference is to the Agriculture Trade Development and Assistance Act (P.L. 83-480), approved July 10, 1954, which provides for the donation or sale on favorable terms of U.S. agricultural surpluses to friendly governments; for text, see 68 Stat. 454.

use them as necessary, and in each action we plan to meet the following criteria:

Selectivity. It must be targeted to selected countries—it would not be a general subsidy program.

Additionality. It would not displace other U.S. sales—cash, credit, or concessional.

Noninterference. It would not be trade disruptive—in other words, careful efforts would be taken to protect existing trade by those who do not use export subsidies.

Demand expansion. It would expand the demand base—not simply redistribute existing trade.

International rules. It would be consistent with our international obligations.

In summary, Mr. Chairman, agriculture is sharing with the rest of the economy the negative effects of global economic factors on trade, with the added impact of factors peculiar to agriculture—global overproduction and heavily subsidized competition.

We have acted to meet this challenge in innovative ways, spearheaded by new uses of credit that have generated significant export sales of a wide range of commodities. We have used a one-time arrangement to restore our position in a market that had been substantially eroded by subsidized competition, and we are prepared to act as necessary in the future to support what the President called "legitimate American interests and rights in world trade."

Our objective for American agriculture continues to be a world of freer trade in which producers compete on the basis of efficiency and quality, not Government decrees.

We will continue to press for negotiated solutions to the trade problems before us, and toward a recognition among trading partners that there is ultimately more to be gained than lost under a system of rational trade in agriculture.

Thank you, Mr. Chairman.

Document 56

Address by the U.S. Trade Representative (Brock) Before the National Press Club, May 4, 1983 [16]

The Case Against Protectionism

For too long now a worldwide recession has battered all of us, but some have suffered far more than others. Here in our own country, 11 million people remain out of work. The pain is real. It weaves through the fabric of our national life, forcing us to ask some difficult questions.

Are we less competitive as a nation than we once thought? Is it time to raise our economic drawbridge to the rest of the world and retreat into isolation? Or do we have the capacity to put our own house in order and seize the opportunity of new growth in new markets?

It is time to make a decision about ourselves and where we want to go. There are some facts which should go into such a decision.

The United States today is the most productive country in the world by any economic measure. Our political system is the freest, our enterprise system is the most competitive, and we have a deeply ingrained work ethic. No words could equal the picture of thousands lined up to apply for a few jobs when they are announced.

But the jobs are changing. In 1960, 37 percent of our workforce was employed in manufacturing. In 1970 it was 27 percent, in 1980, 22 percent, and in that latter year, only 11 or 12 percent were actually directly involved in production. During those 20 years, we did not produce less, we produced more—a lot more. But the jobs moved to small business, to services, informatics, and so on, and we did well. In the last decade alone, we created almost 20 million new jobs while our partners in Europe were creating 3 million.

At the same time, we absorbed the baby boom and the fantastic movement of women into the work force. We demon-

[16] Source: U.S. Trade Representative Files.

strated anew the tremendous creativity, vitality, and flexibility of Americans.

Yet seeds were being sown for today's agony. Worldwide, nations turned to debt to ease the explosion of energy prices. More demands were placed on the capital pool, savings and profits declined, government shares of GNP increased, R&D fell, prices rose, productivity declined, and we found stagflation.

Well, here we are. What do we do now?

Increasingly politicians are tempted to close our doors against the blowing winds of world competition. It is a natural reaction. There is a basic rule of politics, "when things go wrong, find someone to blame, and be sure they can't vote in your district." Protectionism fills the bill nicely. Yet it is no answer.

We tried this approach in 1930, when under similar pressure, Congress passed the Smoot–Hawley tariff. Other countries, predictably, followed suit, turning a recession into the worst depression of the century.

We chose a different route because of this experience, in the post war period. We built a world system designed to open up markets and liberalize trade. It is inadequate to say that the GATT, the IMF, and similar agreements worked. Our trade went from $19 billion to $459 billion in 30 years.

Are we now to go back?

How can we explain protectionism to the millions who might lose their jobs?—for someone has to pay.

Unfortunately, such policies can only be described as no-growth, no-opportunity, and, sadly, no-hope.

So, to those who say we must resist such a temptation to slide into a spate of protectionist policies I say, "I believe." But, to those who say that the U.S. has been a paragon of virtue when it comes to government intervention in the marketplace, and adherence to the principles of free trade, I also say, "I believe (that is, unless we're talking about books, dairy products, tobacco, sugar, meat, textiles, peanuts, clothespins, and shipping to name the most obvious)."

To paraphrase an old truth, "None of us is without sin."

Having said that, it is important to point out that this President and this administration are committed to free trade and are going to take every possible step in that direction. Because we live in a real world, and an imperfect world, we cannot always run full-tilt, in a straight line. There will appear to be some stop-and-go, even a step backwards occasionally. However, one step backwards which allows you to soon move two steps ahead is sometimes the only choice available. The goal is not going to change, and this country's leadership in promoting a more open world trading system is not going to change. When we improve the trading system, we improve economic opportunity for all nations. We create millions of new jobs and billions in new revenues in the process.

Now, more than ever in our history, the United States has more at stake, and more to gain, from an open, expanding international trading system. So let's go back to a few facts.

—Trade as a share of our GNP has doubled in the last 10 years.

—Forty percent of our farm acreage is now planted for export. Incredibly, we plant more acres for export to Japan than Japan has acres.

—In addition, we export more services than we import and we export more agricultural products than we import. We exported $140 billion worth of manufactured exports alone.

Our biggest import item, obviously, is oil. So when you hear of a $43 billion merchandise trade deficit, in 1982, remember that $63 billion worth of imported oil is being counted on the negative side. In terms of the goods and services which people produce, in other words, where the jobs are, this nation is a solid competitor.

Four of five new jobs created between 1977 and 1980 were export related. Increasingly, American firms and workers are accepting the challenge of doing business internationally. With 30–40,000 jobs created per $1 billion in exports, it has certainly paid off.

Still, it seems almost every person who enters my office starts out with the phrase "I'm for free trade, but . . ." and then goes on to seek protection in one form or another, from foreign competition.

In fairness, let's make a distinction between fair trade and protectionism. Under U.S. and international rules, there are cases when certain actions are not only acceptable, but ethically and legally right. These actions, taken in accordance with domestic and international law, must not be confused with protectionism. I'm specifically referring to actions taken by this government in response to unfair trade practices of other nations. In a less than perfect world, it is ethically and economically mandatory for the government to ensure that Americans are not unfairly deprived of their jobs by the intervention by governments of other nations.

In the dialog in the news media, the corporate board rooms, the union halls, this fundamental point is often neglected. I will say it again. Defending American firms and workers from unfair and predatory foreign practices is not protectionism.

However, our target must be unfair competition—not imports in general. Imports do provide needed competition for our domestic producers, and more choice and lower prices for our consumers. They also symbolize what we are just recently learning to accept. That is, that we are living in an interdependent world. We all have to learn to accept that, it's a part of growing up.

In times of recession and high unemployment, some might describe this openness regarding imports as enlightened. Others might describe it as naive. It had better, in truth, be pragmatic—pragmatic because one country's imports *are* another's exports; more precisely, American exports are someone else's imports. Our exports represent millions of American jobs and the potential for millions more. A surge of anti-import sentiment could cost everyone, especially us.

That brings me to the next key point. Aren't there already some rather severe trade barriers to our goods and services? What about the ability of American firms to gain access to foreign markets? And what about foreign governments that subsidize their exports into the U.S. market?

Yes, there are serious barriers already in place. And, some governments do subsidize their exports. Our policy is aimed at removing those barriers and reducing export subsidies. But, in the absence of measurable progress, we are faced with a dilemma. If we continue to negotiate without tangible results, we will ultimately lose the existing base of support for freer trade. A perception would exist that our trading partners refuse to play by the same rules as we do. And they have refused, in far too many cases. If, on the other hand, we retaliate blindly, we face the prospect of ultimately doing less business rather than more because of increased restrictions on both sides.

The fact of the matter is that while less international trade would certainly not be in our best interest, we'd survive. Others might not be so fortunate. Therefore, our first course is to negotiate. We have done this. In many areas the time for talking has run out. Our second is to bring this matter to a head through international dispute settlement proceedings. We have a number of good cases now being pursued. Our last course is to selectively and surgically respond to the actions of the offending country. We finally had to do this in some areas, but this is a sword better kept in a scabbard, lest we be tempted to excess, and escalation to the good of no one!

Yet, while the national trade debate has centered upon our relationships with our developed trading partners, our brightest market opportunity for the future is the developing world. We import half of all the manufactured products of less developed nations worldwide, and export more merchandise to them than to Europe and Japan combined.

While the economies of the industrialized nations were certainly ravaged by the OPEC price increases of the 1970's, even more victimized were the economies of the developing world. With the current oil glut, and its falling prices, there is now a slightly increased opportunity for many LDC's such as Brazil and Argentina to recover. Some, however, will continue to have serious problems for a long time to come. In neither case, will recovery occur overnight.

Here at home most of us believe the United States has turned the economic corner. Most LDC's have not, and may not for years. Yet, their well-being is important to us. They must have an opportunity to earn foreign exchange from exports. That simply cannot be done if protectionism takes root in the advanced nations, as so many now advocate. Only if the developed world maintains open markets will the LDC's be able to sell their products,

pay their debts, and keep alive their hope for economic recovery and future growth.

The United States will do so, and we ask our partners in the industrial world to do so as well. Such action, if shared by all, can do much to restore confidence, stability, and real growth to a battered global economy.

Simply stated, it is our policy to strengthen the global competitive opportunity for U.S. firms and workers, to ensure that U.S. firms and workers are not unfairly disadvantaged by predatory actions of our trading partners, and to forge a multilateral trade framework for the further expansion of world trade.

With all of this, the true test of our ability to compete, to grow, to create the jobs and income this nation must have, will be right here at home. We cannot prosper internationally if we are unhealthy domestically. We have to control our deficits—now. We have to build the kind of country that competes with mind and motivation, as well as muscle. And we must be willing to adapt to a new economic world. To maintain our competitive position in the world economy, we must continually adjust what we produce and what we export in response to market forces. In exceptional cases, where rapid increases in imports outpace the capacity of our economy to adjust, and threaten to injure U.S. producers, the government is obligated to ease the adjustment problems of dislocated firms and workers as provided in U.S. trade laws.

However, we've got to realize that efforts to deflect or stop the adjustment process would, if successful, mortgage our future and that of our children and grandchildren to an outmoded, unproductive, and inflationary economy. We would run the grave risk of falling far behind those nations which have the foresight and discipline to successfully navigate their way through the rapidly changing world economy. More is required. We Americans have always believed in the paramount virtues of education. We must move increasingly to on-going, lifetime education to reduce the structural unemployment which results from the mismatch between current labor skills and new employment requirements. This mismatch aggravates unemployment and reduces overall growth potential.

Education weaves through any disc sion of productivity, of a technolog revolution, of adjustment.

Edmund Burke once said "Educatio the cheap defense of nations." It is the best hope for our future. It is the hope for improved productivity, bo jobs, more income and higher growth.

Why then do we tolerate an Amer educational system in decline? Sur have shown that 13 percent of all 15-y old high school students in America c not perform reading tasks designate "functional," 28 percent could not an questions testing "literal comprehens of what they read, and 10 percent c not write prose deemed marginally ac able. One half of all U.S. high schoo dents do not study math or sc beyond the tenth grade. Only one i American students is studying phy one in twelve is studying calculus amazing 53 percent could not wr letter, and could not solve simple lems involving applied math. Incre this survey did not include the 26 p that had dropped out of high school

Compare that with Japan. Ther percent of Japanese teenagers gr from high school as opposed to 7 cent in the United States. Japanes dents are in session 5 1/2 days pe with more weeks to the school yea U.S. schools.

The result is that the graduate of anese high school accrues approxim more full years of total primary a ondary education than the U.S school graduate.

The great accomplishment of th nese education system lies not in ation of a brilliant elite, but rath generation of such a high *average* capability.

If the next generation of Ame to make informed decisions ab complex issues facing our demo they are to have the tools of the m essary for innovation and creativi workplace, if they are to control t destiny, *we* must exercise the l leadership *now*, all of us—busines state government, national gov parent, teacher—all of us.

It may seem strange that inte trade forces us to face domestic

like education and deficits, work rules and management practices, but it does, and we must. If we accept the challenge to put our own house in order, to compare, this fortunate country of ours is going to offer our children an opportunity beyond our wildest dreams, and that is worth any ounce of our national will and effort.

Document 57

Statement by President Reagan, June 1, 1983 [17]

The Proposed Department of International Trade and Industry

In recent years, international trade has become increasingly central to the American economy. Today, one of every eight American manufacturing jobs is related to exports. Every billion dollars in exports supports 25,000 jobs.

I am proud of the team we have brought to Washington to work on trade issues. We have come to believe through our experience that the executive branch can—and should—be better organized to tackle the issues on this front.

Today I am pleased to announce plans that would place responsibility for both trade policymaking and implementation in a single department.

This new department can not only provide a leaner, more efficient, better coordinated approach to international trade but can also help us in achieving many key objectives:

—A healthy and open system of international trade;

—Expansion of U.S. exports;

—Reduction of overseas barriers so that American firms can compete more effectively abroad;

—Encouragement of the private sector to seek out more opportunities overseas;

—And of great importance, insurance that America speaks with a strong, unified voice in trade and industrial matters.

I urge the Congress to enact this plan into law as swiftly as possible.

[17] Source: White House Press Release, June 1, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, June 6, 1983, p. 814.

Document 58

Testimony by the U.S. Trade Representative (Brock) Before the Senate Governmental Affairs Committee, June 24, 1983 [18]

In Support of the Trade Reorganization Proposal

I will be very brief. I will not read my statement, Mr. Chairman, simply because I am not supposed to do a lot of that right at the moment.

I appreciate the chance to be with you today to discuss and to support the President's reorganization proposal and the Roth bill [19] as presented to this committee and the Senate.

I would like to state at the outset that we are very fortunate to have the leadership of President Reagan on this issue, not only in the area of trade policy, but in all areas of critical importance to this country's economic, social, and security interests. I take exception with those who say that this country speaks with two or more voices on trade policy. [20] There is now,

[18] Source: *Trade Reorganization Act of 1983: Hearings Before the Committee on Governmental Affairs, United States Senate, Ninety-eighth Congress, First Session on S. 121* (Washington, 1984), pp. 285–287. Chairman of the Senate Governmental Affairs Committee William V. Roth, Jr. presided over the session.

[19] Senator Roth, Chairman of the Senate Governmental Affairs Committee, introduced the trade reorganization bill (S.121) in the Senate on January 26, 1983.

[20] Following Ambassador Brock's initial testimony before the committee on March 17, 1983, Senator Roth characterized the current division of authority between the U.S. Trade Representative and the Secretary of Commerce as a "two headed monster" neither one of whom could "speak as the principal officer on trade." See *Trade Reorganization Act of 1983*, p. 20.

and will continue to be only one voice on trade policy and that is the voice of the President of the United States.

It is and it has to be. Anybody that has doubts about that should pay attention to what was said at the summit in Williamsburg. A very clear statement on what is necessary in world trade circles was made by those governments at the urging of President Reagan. It was a significant step forward.

It is important, Mr. Chairman, without going into the details of the legislation to look at a couple of aspects of the reorganization proposal.

In effect we are taking the trade functions of the U.S. Trade Representative and merging them with those elements presently in the Commerce Department that are primarily trade related and thus, creating a new Cabinet department. I think if we are going to undertake a reorganization, we have to understand a bit about the genesis of the present style of operation and why and what we must maintain in order to be sure that the process works in the future.

When we passed in 1962 the Trade Expansion Act providing for a Special Representative for Trade Negotiations,[21] the STR, we created an office with a very narrow description, and limited authority. Over the last 20 years that description and authority has grown substantially, culminating in the most recent reorganization plan No. 3, which was adopted in 1979.[22]

The Office is in charge of the establishment and coordination of our trade policy as well as trade negotiations. I chair the Interagency Coordinating Committee, the Trade Policy Committee, which is a statutory committee. Interestingly, while I am required to consider all agencies' views, I am not required to accept the advice. This is an explicit statement in the law because somebody has to make a final recommendation to the President. I think what we are seeking with this new reorganization is precisely that same logic.

I want to be sure that people understand that the proposal before this body incorporates a very strong interagency process without which the system simply will not work, but ultimately one person has to make that final recommendation and I hope this ethic presently in the law will be carried forward in whatever form it takes. It is fundamentally important to do so.

I grant you that we play the role of honest broker. A recent Harvard Business Review article stated that the intended purpose of the STR is to "collect, balance and compose those several interests into a coherent U.S. policy." I hope and believe that the new proposal is intended to strengthen that precise role.

If you look at the new department which is going to be called DITI—

SENATOR COHEN. Did you say ET?

MR. BROCK. I think ET might be better. I don't like DITI. (Laughter.)

But that is the way this town works. We like these initial agencies. It would, as I said, merge the functions of the USTR, and the trade-related economic and industry advocate offices of the Department of Commerce into a single Cabinet-level department.

The core would be our present 131 employees in USTR, complemented by the 7,400 employees of Commerce. (Laughter.)

I do think that what we are seeking is in all sincerity a coordination and merging of these two groups both of which have strengths that can be added nicely to the process. The new agency then would represent and promote American economic interests. Obviously this has much broader application than "industrial" interests. We are presently involved in trying at GATT to incorporate certain things into its encompassing agreements.

We are presently working on bilateral investment treaties with other countries. So services, investment, all areas of economic activity will be supported by this new office. It would obviously seek to expand our exports and enhance our competitive circumstances.

Let me just conclude with two fundamentally important points of emphasis. I mentioned the interagency process.

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[21] Reference is to Sections 241 and 242 of the Trade Expansion Act of 1962 (P.L. 87-794), approved October 11, 1962; for text, see 76 Stat. 878.

[22] For text of President Carter's message to Congress of September 25, 1979, presenting Reorganization Plan No. 3, see *American Foreign Policy: Basic Documents, 1977-1980*, pp. 253-257.

Mr. Chairman, there simply is no way you, I, or anybody else can write a bill that would put every single trade function into one department. It cannot be done. Even if we put all of the legal functions into one department, never in the foreseeable future of this country could we write any kind of program which would eliminate the legitimate interests of the State Department in what happens in trade relations with other countries, or the Treasury Department, Department of Labor, a number of other Government agencies, and the Agriculture Department of course.

So it is important and fundamentally so that this program be designed to be sure that those interests are represented and reflected in the policymaking process. That is a basic central theme of any truly effective agency. I don't think there is a disagreement among Mac and myself and Agriculture and other agencies that have discussed it. That is what our intention is and that is what we expect and beheve we can achieve.

Second, I would commend to you one of the present day strengths of the small office which I have the privilege to head, the U.S. Trade Representative Office, is the private sector involvement.

Mr. Chairman, when you have 131 people and that is all, you are dependent on others to get adequate and up-to-date information. Our private sector, our labor unions, our management, are competing around the world every day and in every field. They know more about what is going on than anybody else ever could and they have it at their fingertips right now.

One of the fundamentally essential components of my present job is the private sector advisory system. We don't just talk to advisers. We more importantly listen. I commend to you that system as one which the Congress simply must insure continues and hopefully even strengthen it if that is possible because I don't believe any Government agency can operate in isolation from those that it is supposed to serve. You must incorporate the private sector and put them into this kind of an apparatus.

CHAIRMAN ROTH. Ambassador, if I may interrupt, you may recall that when I served on the Finance Committee in 1974 trade legislation came before the committee. Because of my support for a private sector advisory system, I introduced the amendment that permits the private sector—both business and labor—to directly advise the USTR in the negotiations. So I strongly agree with what you are saying.

MR. BROCK. Mr. Chairman, I am preaching to the choir when you are here but I am hoping that others listen. (Laughter.)

I know of your interest. I just state it for the public record because I do think it is awfully, awfully important that throughout this debate on reorganization we keep that concept in mind, that the private sector can make this process work and without it it simply will not be as effective as it ought to be in this country's well-being.

That is a sufficient statement of the present need. I think the proposal can offer us an opportunity for more close, more effective coordination within the Government. I think it can reduce some of the present competitive problems that we have seen over the last few years and I think it is a good step forward.

Document 59

Statement by the U.S. Trade Representative (Brock) Before a Subcommittee of the House Ways and Means Committee, August 3, 1983 [23]

GSP: An Economic Advantage for the United States

Let me summarize briefly. [24] We are all familiar with the general purposes of the GSP. [25] It was at the outset intended to

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[23] Source: *Possible Renewal of the Generalized System of Preferences: Hearing Before the Subcommittee on Trade of the Committee on Ways and Means, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1984), Part I, pp. 3–5. Subcommittee Chairman Sam M. Gibbons presided over the hearing.

[24] For Brock's prepared statement, see *ibid.*, pp. 5–8.

[25] The Generalized System of Preferences (GSP), approved by GATT in 1971, authorized developed nations to extend preferential tariff treatment to developing countries in order to

Continued

assist the economic development of the world's poorer countries by encouraging greater diversification and expansion of their production and exports.

I want to say today at the outset that this is not an altruistic program, but in fact is very much in the interest of not just the poor developing countries of the world, but of the United States and our own economic well being. We cannot overestimate the importance of the growth and development of poorer countries to the United States. The LDC's now purchase 40 percent of all that we export, more than Europe and Japan combined. They have become and remain the fastest growing markets for our products. Their annual rate of growth has been 12.5 percent since 1976, which is an absolutely spectacular rate of growth which I would imagine any company in the United States or our economy as a whole would welcome.

Now, that is in contrast with 9 1/2-percent growth in exports to our traditional developed country markets. GSP has contributed to this growth by enabling those developing countries to earn increased foreign exchange which they have used to purchase U.S. goods and services. In so many words, GSP has spurred this expansion of trade both ways, not through costly one-way grants of aid, but through a system that encourages broad-based, sustained economic growth founded on the marketplace. In other words, GSP is not a development project. Rather, it is a system of opportunities which encourages developing countries to draw and build upon their own relative strengths.

It is important to remember during the debate that GSP imports do not represent a threat to our own economic interests. While these imports have increased from $3 to $8.4 billion during the life of the GSP program and cover 3,000 products, a study by the ITC determined that GSP imports have not had an appreciable effect on the U.S. market. These imports have been averaging one half of a percent or less of U.S. consumption.

While the program has had no adverse effect at the macro level, it is important to recognize that particular products at times may feel some impact of GSP imports. We have been responsive to these problems. Through our annual product review procedures, we have tailored the coverage to reflect changing conditions of competition and any resultant changes in import sensitivity. In this regard, I believe that our product review has been very responsive to the concerns of U.S. producers and workers.

Many have noted with concern the fact that a limited number of GPS [*GSP*] beneficiary countries have accounted for the majority of the program's benefits. This has occurred despite the operation of the program's competitive need limits, which have automatically excluded almost one-half of these top beneficiaries' trade from GSP eligibility.

In response to these concerns, and in keeping with our desire to integrate developing countries more fully into the international trading system, the administration strengthened its graduation policy[26] in 1981. This action resulted in the removal of over $1 billion in GSP benefits from the leading beneficiaries of the program in addition to the previously established statutory competitive need exclusions which now total over $7 billion annually.

Let me note one additional fact before going to the new program: 19 other industrialized countries have found it in their interest to extend their own GSP program through 1990 or beyond.

We have sent to you a bill to renew the GSP program. I believe it represents a fair and balanced response to the legitimate interest of the GSP beneficiary countries and domestic workers and producers, many of whom have shared with us their views on the program's current operation and continuation.

We ask that you extend the GSP for a 10-year period. Further, we ask that the statutory authority for the program be modified in certain aspects in response to two general trends, first, the increasing competitiveness of many GSP products, and second, the increasing importance of developing country markets and U.S. exports.

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stimulate LDC growth. For further historical background on the evolution of the GSP, see *infra*.

[26] The so-called graduation policy refers to the process by which a developing country loses its eligibility for special treatment under GSP or other concessional programs because of its economic progress.

We propose that graduation be made even more explicit through the establishment of lower competitive need limits for highly competitive products. These limits which would be set at 25 percent of the value of total U.S. imports of any GSP eligible product and $25 million worth of imports of any GSP eligible product, would be applied to products in which a country was found to be highly competitive after a general product review.

In this review, the President would consider the various factors required under current statutory and administrative procedures. One of these factors involves the extent to which a GSP beneficiary country has assured the United States of reasonable and equitable access to its markets. This factor will be considered not only with respect to the limitation of the benefits through the application of lower competitive need limits, but also with respect to a liberalization of benefits on certain products.

The administration proposes that the statute allow for the liberalization of competitive need limits on various products as a means of further inducing beneficiaries to provide significant access to their markets. In its market access considerations, we will examine not only GSP beneficiary country tariff and nontariff barriers to trade in goods and services, but also other trade restricting practices, such as performance requirements and inadequate protection of intellectual property rights.

In recent years, we have received an increasing number of complaints about such LCD [*LDC*] barriers. Significant additional market opportunities exist for the U.S. exports to many key developing country markets. We need to tap this potential.

It is clear that the United States has much to gain from a GSP program restructured to help induce beneficiaries to liberalize their markets in a manner commensurate with their level of development.

Before concluding, I ask that you keep in mind the special needs of the least developed beneficiaries, a group of approximately 30 of the world's poorest countries. These countries do not possess resources and infrastructure required to export most of the products eligible for GSP treatment, and thus have often failed to realize appreciable benefit from the program.

Furthermore, in some instances they have been excluded from GSP treatment on eligible products because of the statutory competitive need limits. The administration requests that the President be authorized to waive competitive need limits applicable to products of least developed countries as a small but important step toward assisting their development process.

The GSP program has provided important opportunities for developing countries to diversify and expand their economies. This has been achieved without any significant adverse impact on the U.S. economy in terms of production, employment, or balance of payments. In fact, GSP duty-free imports have accounted for no more than 3 percent of total U.S. imports since the program began.

We have before us the opportunity to extend this GSP program in a manner that will further not only the program's laudable development objectives, but also the export goals of the U.S. producers. Operation of the GSP by the United States and other industrialized countries has demonstrated and will continue to demonstrate that trade can be an effective force for world economic growth.

I thank you for the opportunity to testify, Mr. Chairman.

Document 60

Statement by the Deputy Secretary of State (Dam) Before a Subcommittee of the House Ways and Means Committee, August 3, 1983 [27]

GSP: A Vital Element in U.S.–Third World Relations

I have submitted to you a statement [28] which I will cover only a part of.

CHAIRMAN GIBBONS. All of your statements will be included in the record.

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[27] Source: *Possible Renewal of the Generalized System of Preferences* Part I, pp. 8–10.

[28] For text, see *ibid.*, pp. 10–12.

MR. DAM. Thank you.

Ambassador Brock has covered the proposal that we have submitted to you, and many of the economic interests we have involved.[29] I would like to emphasize some of the foreign policy aspects.

As he said, the United States does not act alone in providing duty-free entry to products from developing countries. Nine years ago, during the debate of the Trade Act of 1974,[30] which authorized our GSP program, the administration pointed out that in the area of international trade our approach has been to act in concert with all major trading nations, and that is true today. All of our industrial partners recognize that steps are required to expand the flow of trade between developed and developing countries. The need for positive action to open world markets for exports from developing countries has long been recognized. The GATT contract included in part 4 of GATT calls for such action by the developed country members.

Thereafter, in the late 1960's, we and other developed OECD member countries agreed to institute preferential treatment for developing country exports. In 1971, the GATT contracting parties agreed to waive for 10 years the most-favored-nation requirement of GATT to the extent necessary to permit such preferential treatment. The legal basis for GSP under GATT has been incorporated in the GATT agreements on the framework for the conduct of international trade negotiated in the Tokyo Round of the late 1970's.[31]

By 1976, with the inception of GSP in the United States, 19 OECD members were granting preferences to developing countries. If we look at the OECD programs in the aggregate, we see 41 percent of developing country imports enter these markets duty-free. An additional 18 percent of developing country imports are eligible for either duty-free treatment or for duty reductions under the various national GSP programs.

Our OECD partners are committed to a continuation of GSP. With the exception of the United States and Canada, OECD donors have either already renewed their programs into the 1990's or have open-ended programs with no expiration date. The European Community and Japan, which along with the United States provide over 85 percent of global GSP benefits, have already extended their GSP programs for a second decade. Canada is expected to renew its program by July of next year. The European Community in particular has indicated the importance it attaches to a continuation of the United States GSP program as a form of burden sharing.

There is good reason why we and the OECD countries have supported GSP programs. GSP is the major trade instrument designed to help developing countries help themselves. GSP increases developing country access to developed country markets, thereby expanding developing country export earnings, accelerating their growth, and strengthening their ability to meet international financial obligations. At the same time, the United States will benefit, for a large share of developing country export earnings return to the United States in the form of additional purchases here.

Mr. Chairman, I could analyze further the beneficial linkage between increased imports for developing countries and growth and prosperity in the U.S. economy. Ambassador Brock, however, has already cogently covered the economics of GSP. Let me turn more broadly to the foreign policy aspects.

First of all, GSP is an integral part of our overall effort to encourage self-reliant economic development through trade, not aid. As I said at the recent UNCTAD meeting in Belgrade,[32] for all countries, trade is the dominant source of external resources, and for developing countries trade is the dominant impetus to growth. GSP renewal is an essential element of the program I outlined in Belgrade to increase trade, promote growth, and pro-

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[29] *Supra.*

[30] For text of the Trade Act of 1974 (P.L. 93-618), approved January 3, 1975, see 88 Stat. 1978.

[31] For text of the seventh major multilateral trade negotiations signed in Geneva, April 12, 1979, see 31 UST 513. The negotiations have generally been referred to as the "Tokyo Round" because they were initiated by a GATT ministerial declaration signed in Tokyo in September 1973.

[32] For text of Deputy Secretary of State Dam's speech before the sixth United Nations Conference on Trade and Development (UNCTAD VI) in Belgrade, June 13, 1983, see Department of State *Bulletin*, August 1983, pp. 23–27.

vide a foundation for the resolution of many of our present problems.

Second, GSP has been the only trade policy instrument we have which is specifically intended to increase the access of developing countries toward our markets. The beneficiary countries view GSP renewal as an important indicator of the seriousness with which the U.S. views its stated policy of encouraging self-sufficient economic development.

Third, by promoting export earnings, a renewed GSP program will enable developing countries to adopt more outward looking economic policies, contributing to the U.S objective of improving and maintaining the global economic system.

The GSP is an effective way of demonstrating to the developing world the benefits of preserving free and open markets.

Fourth, GSP plays a significant role in promoting the economic well-being and security of developing countries such as the ASEAN nations [33] which are vital to our national security. In 1982, U.S. trade with ASEAN topped $20 billion. Our exports to ASEAN as a whole nearly equaled our exports to the United Kingdom, our fourth largest export market. A key to ASEAN's economic success and to its importance as a market for U.S. exports is its ability to sell to us. GSP preferences coupled with our relatively open markets have helped significantly. Since the inception of the program, ASEAN's GSP shipments to the United States have grown impressively from $167 million in 1976 to $814 million in 1982, an annual growth rate of 30 percent.

Singapore, Thailand, and the Philippines, all of which are key to our regional security interests in Southeast Asia, are ranked among the top 15 beneficiaries of GSP.

Finally, Mr. Chairman, renewal of GSP is consistent with the Williamsburg commitment to "take into account and exploit relationships between growth, trade, and finance in order that recovery may spread to all countries, developed and developing alike." [34] We realize that GSP is a relatively small instrument in our trade policy tool kit. In 1982, the value of GSP imports amounted to only 3.4 percent of the value of total U.S. imports, and slightly over 8 percent of the value of imports from developing countries.

Nevertheless, failure to renew the program would have high political cost. The developing countries will see it as a signal of U.S. indifference to their problems, and as a rebuff of their efforts to develop through expanded trade. Our developed country partners would view our failure to renew as evidence that the United States is no longer willing to do its part in the shared task of contributing to world development.

In short, Mr. Chairman, we see GSP renewal as essential to our North-South relations and to our relations with our major industrial trading partners. By preserving open markets and expanding trade with developing countries, we and other industrial nations will nurture Third World economic growth even as economic recovery in the West proceeds and strengthens over the coming years.

Thank you very much, Mr. Chairman.

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[33] The Association of Southeast Asian Nations (ASEAN) was formed in August 1967 to promote regional economic cooperation. Headquartered in Jakarta, the Association initially consisted of five member states: Indonesia, Malaysia, Singapore, Thailand, and the Philippines. A sixth member state, Brunei, was added on January 7, 1984.

[34] See the Williamsburg Declaration on Economic Recovery, document 79.

Document 61

Address by President Reagan, August 6, 1983 (Extract) [35]

International Trade: The Key to Peace and Economic Progress

My fellow Americans, I'd like to talk to you today about trade—a powerful force

[35] Source: White House Press Release, August 6, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, August 15, 1983, pp. 1103–1104. The President spoke on nationwide radio from Camp David beginning at 12:06 p.m. For the portion of the President's address omitted here, which concerns the textile agreement with China, see document 471.

for progress and peace as you well know. The winds and waters of commerce carry opportunities that help nations grow and bring citizens of the world closer together. Put simply, increased trade spells more jobs, higher earnings, better products, less inflation and cooperation over confrontation. The freer the flow of world trade the stronger the tides for economic progress and peace among nations.

I've seen in my lifetime what happens when leaders forget these timeless principles. They seek to protect industries and jobs but they end up doing the opposite. One economic lesson of the 1930's is protectionism increases international tensions. We bought less from our trading partners but then they bought less from us. Economic growth dried up. World trade contracted by over 60 percent and we had the Great Depression. Young Americans soon followed the American flag into World War II.

No one wants to relive that nightmare and we don't have to. The 1980's can be a time when our economies grow together and more jobs will be created for all. This was the spirit of the Williamsburg Summit in May. The leaders of the industrialized countries pledged to continue working for a more open trading system. But sometimes that's easier said than done.

Take the case of our own economy. Things are looking up for America. Inflation has been knocked down to 2.6 percent. Economic growth in the second quarter reached 8.7 percent and one million seven hundred thousand Americans have been hired since last December.

Yesterday we learned that total unemployment has dropped to 9.3 percent. Nearly 500,000 of our fellow citizens found jobs in July. More Americans are working than any time in this nation's history. This good news restores confidence in our economy and our currency.

Some people dislike our strong dollar and blame it on our interest rates. We do not want disorderly currency markets and we've intervened to bring back order to otherwise disorderly markets. But let's remember something. Other countries have higher interest rates than we do, yet their currencies have fallen in relation to ours. One good reason is inflation. It's not the interest you earn from holding a currency that matters most. It's the confidence you have that the value of your money won't depreciate from higher inflation. America's inflation rate has declined dramatically.

Now, a strong dollar makes our purchases from abroad less expensive. And that's good.

Winning the war against inflation is probably the best economic legacy we could leave to the next generation. Remember what life was like only a few years ago when the value of the dollar was being talked down and inflation was going through the roof? But a strong dollar also brings problems.

It makes the goods our exporters are trying to sell more expensive. Still, we're tough competitors. Some $200 billion worth of goods were sold by Americans last year. So, do we listen to those who would go back to dead-end protectionism and to sabotaging the value of our currency or do we go forward, keeping our faith in the American people who made this nation the greatest success story the world has ever known?

I believe our challenge is to marshal the power of this country's best minds and create the technology that will restore America's economic leadership. I have appointed a Presidential Commission on Industrial Competitiveness,[36] asking distinguished leaders from business, labor and academia to advise us on how best to strengthen our ability to compete in world markets.

We believe the U.S. trade position would be strengthened by uniting many of this government's trade responsibilities under one roof. So, we proposed legislation to create a department of international trade and industry.[37] We're also taking action to create opportunities for trade.

Ten days ago, our negotiators reached a new, long-term grain agreement with the Soviet Union.[38] Since 1981, we've ended the unfair embargo that had been slapped on American farmers. And now we have an agreement that obligates the Soviets to

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[36] For text of President Reagan's statements on August 4 announcing the establishment of the Commission and the appointment of its membership of 20 persons, see *Weekly Compilation of Presidential Documents*, August 8, 1983, pp. 1091–1093.

[37] See documents 59 and *supra*.

[38] See documents 213 and 214.

increase their minimum purchase of wheat or grain, I should say, by 50 percent.

This, along with the likelihood of substantial purchases from China, represents a major step forward for our farmers. It symbolizes our determination to help them regain the markets they lost. It also proves that, while we oppose Soviet aggression, we seek to promote progress and peace between our peoples.

Yesterday, I signed legislation to stimulate more trade and opportunity—the Caribbean Basin Initiative.[39] This package of incentives will establish new commercial relationships between the people of the Caribbean and the United States. Stimulating trade will mean new jobs for their citizens as well as ours.

It underscores our belief that economic development based on free market principles is the key to helping our neighbors build a future of freedom, democracy and peace.

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C. Financial and Monetary Policy

Document 62

Letter From President Reagan to the Speaker of the House of Representatives (O'Neill), March 2, 1983 [1]

The Need For an Increase in U.S. Support for the International Monetary Fund and the General Arrangements To Borrow

DEAR MR. SPEAKER: I transmit herewith a draft bill "to amend the Bretton Woods Agreements Act [2] to authorize consent to and authorize appropriations for an increase in the United States quota in the International Monetary Fund and to authorize appropriations for increased U.S. participation in the General Arrangements to Borrow."

The proposed bill would authorize an increase of SDR 5,310.8 million (approximately $5.8 billion at current exchange rates) in the United States quota in the International Monetary Fund (IMF), to the level of about SDR 17.9 billion; and an increase of approximately $2.7 billion in U.S. participation in the IMF's General Arrangements to Borrow (GAB), to a new total of SDR 4,250 million. These proposed increases are part of an overall expansion of IMF quotas totaling about SDR 28.9 billion and an expansion of the GAB totaling about SDR 10.6 billion.

These measures are required now because the world economy faces economic and financial problems which are without precedent in the postwar era. There is a natural tendency in time of recession, high unemployment and international economic uncertainty toward protectionism and financial contraction—reactions which were the seeds of the depression of the 1930s. The International Monetary Fund was created in the aftermath of World War II, largely at the initiative of the United States, to provide a constructive counter to those tendencies and prevent a recurrence of the slide into world depression.

The IMF remains the centerpiece of international efforts to deal with these problems in an orderly and constructive way, by supporting its members' efforts to correct their balance of payments problems through adoption of sound economic policies. However, the IMF's resources are under serious strain. Its ability to commit the medium-term financing necessary to allow member countries time to implement corrective economic policies is likely to be exhausted during the course of 1983 or early 1984. It is essential that the IMF have adequate resources to fulfill its vital

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[39] See footnote 93 to document 634.

[1] Source: White House Press Release, March 2, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, March 7, 1983, pp. 324–326. An identical letter was also addressed to George Bush, President of the Senate.

[2] For text of the Bretton Woods Agreement Act (P.L. 79–171), approved July 31, 1945, to provide for U.S. participation in the International Monetary Fund and the International Bank for Reconstruction and Development, see 59 Stat. 512.

responsibilities. Failure to resolve current world economic and financial difficulties in an orderly manner would result in a downward spiral of world trade and billions of dollars in simultaneous loan losses. This would pose a fundamental threat to the international economic system, and to the U.S. economy. Prospects for the economic recovery and expansion necessary to generate new jobs would be dashed, not only in the United States, but around the world.

I therefore strongly recommend prompt enactment of legislation to give effect to the proposed increase in the United States quota in the IMF and to the proposed increase in United States participation in the IMF's General Arrangements to Borrow.

The world's current economic problems are attributable to several factors, including the rapid inflation of the 1970s, the twin oil "shocks" of that decade, high interest rates, the worldwide recession, and countries' failure to adjust to a rapidly changing world economic environment. These developments led to a very rapid rise in international lending and a build-up in external debt which in some cases, particularly in a period when inflation is being brought under control, are no longer sustainable. Major borrowers abroad are finding it extraordinarily difficult to find the financing needed to sustain economic activity, purchase essential imports, and service their external debts. As a consequence, important segments of the United States' economy and financial system, and a number of countries of critical importance to America's national interests, are in a vulnerable position. The health of the United States economy and the well-being of its citizens are tied directly to the recovery and growth of other nations. Our own self-interests, therefore, demand that we demonstrate the leadership required to assure an orderly transition in a turbulent world environment.

The dependence of the United States on the world economy has grown rapidly. Today, nearly 20 percent of total U.S. goods produced are exported abroad. Some 40 percent of our agricultural production is exported. U.S. banks account for about one-third of total international bank lending, and they rely heavily on foreign sources for loanable funds. All told, more than 5 million U.S. jobs depend on exports, and those jobs in turn depend on healthy markets abroad. Foreign trade accounted for four out of every five *new jobs* in U.S. manufactures in the late 1970s. Our services trade surplus grew more than elevenfold between 1970 and 1980. Our surplus in high technology trade has increased from $7.6 billion to $30 billion in that period. Combining goods and services, estimates show that one-third of U.S. corporate profits derive from international activities. Going one step further, our trade relationships with the developing countries have expanded even more rapidly than our overall trade. In the last few years, trade with LDCs has accounted for nearly 40 percent of the overall growth of American exports.

Clearly, the United States has a major direct interest in assuring a strong world economy and a smoothly functioning international monetary system. Conversely, sharp cutbacks in imports by borrowing countries, necessitated by economic collapse or inadequate financing, would have a direct and damaging impact on not only our financial system but on American workers, farmers, manufacturers and investors. On the banking side, sudden losses on foreign loans would squeeze earnings and capital positions. This in turn would impair banks' ability to finance world trade and could lead both to a reduction in their ability to lend to domestic customers and to higher interest rates.

The IMF plays a key role in helping its member countries make the economic adjustments needed to correct their economic problems and restore their creditworthiness in the world marketplace—adjustments at the national level which are the essential ingredient of a sound international economy. The IMF also provides strong support for a more open trade environment through economic programs which emphasize reliance on market-oriented economic policies.

The proposed increase in IMF resources is one part of a comprehensive strategy to resolve current world economic problems. This strategy involves adoption of sound adjustment measures by borrowing countries; IMF support in helping those countries design their adjustment programs, in formulating comprehensive financing plans to accompany their adjustment efforts, and in providing a portion of the financing required; continued provision of financing by the commercial banking system where borrowers undertake and implement a sound IMF supported economic program; official willingness to pro-

vide emergency short-term liquidity support, where that is essential in the interim while IMF adjustment and financing programs are developed and put in place; and achievement of a broad-based, non-inflationary recovery in the industrial nations, which will provide expanding markets and a basis for the adjustments borrowers must make. The IMF is at the heart of this strategy. It simply must have adequate resources to fulfill its vital responsibility.

I believe the United States is on the verge of an impressive, non-inflationary and sustained recovery. Recovery in the United States is important to global recovery; but, by the same token, failure to deal effectively with problems facing the international economy could quickly undermine our own domestic economic efforts and prospects. Approval by the Congress of the proposed increases in our IMF quota and our participation in the General Arrangements to Borrow is a critically important component of our program to assure economic recovery and growing employment in the United States.

A report of the National Advisory Council on International Monetary and Financial Policies, which provides background information on the proposed increases in the U.S. quota in the IMF and in U.S. participation in the General Arrangements to Borrow,[3] is being transmitted to the Congress separately. I strongly urge the Congress to consider the proposed increases promptly and favorably.

It will be appreciated if you will lay the enclosed draft bill before the House of Representatives (Senate). An identical proposal has been transmitted to the President of the Senate.

Sincerely,

RONALD REAGAN

[3] The formal title is "Special Report to the President and to the Congress on the Proposed Increase in the Resources of the International Monetary Fund," (March 1983), 35 pp.

Document 63

Statement by the Secretary of the Treasury (Regan) Before a Task Force of the House Budget Committee, March 7, 1983 [4]

The Justification For an Increase in IMF Resources

Mr. Chairman, it is a pleasure to appear before you today to explain and support the administration's proposals for legislation to increase the resources of the International Monetary Fund.

At the request of the task force, I will also discuss our proposals for the Multilateral Development Banks and the Eximbank. The written testimony I have submitted develops our proposals and their rationale in detail. [5]

In my remarks today I will begin with some of the key points relating to the central role the IMF must play in resolving the current international debt problem.

The international debt problems of Argentina, Brazil, Mexico, and a growing list of other borrowers, combined with a sharp cutback in bank lending to those countries last year, have subjected the international financial and economic system to strains that are without precedent in the postwar era—strains which threaten to derail world economic recovery.

Chart A [6] illustrates the rapid buildup of total debt by non-OPEC developing countries in recent years, and the expansion of commercial bank lending to LDC's. You can see here total debt and on the bottom in blue the total debt to banks.

[4] Source: *International Monetary Fund Quota Increase: Hearing Before the Task Force on International Finance and Trade of the Committee on the Budget, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 1–6. Representative Mike Lowry was Chairman of the Task Force, which included six Democrats and four Republicans on the Budget Committee.

[5] Regan's prepared statement, containing numerous charts and appendices, is printed *ibid.*, pp. 29–37.

[6] Charts A–I, to which Regan refers in his statement below, are printed *ibid.*, pp. 29–37.

Chart B illustrates the sharp cutback in new commercial bank lending to LDC's last year.

You can see the rise from 1977 and culminating in 1981, but then the sharp drop from the $47 billion in 1981 back down to the $20 to $25 billion range in 1982. The problem is, one of the speed and degree of adjustment.

Borrowing countries must adjust their economies to slow the pace of external borrowing and maintain the capacity to service their debts—but there is a limit, in both economic and political terms, to the speed with which major adjustments can be made. Effective and orderly adjustment takes time, and attempts to push it too rapidly can be destabilizing.

There are a number of reasons why the United States should be concerned with the international debt problem. A cutoff of financing forces dramatic cuts in economic activity and imports by borrowing countries. A further abrupt and large-scale contraction of LDC imports could do major damage to the U.S. economy because about one-third of any cutback in imports by LDC's comes directly out of American exports and American export-related jobs. Such an abrupt reaction can be avoided with a smoother adjustment process, accompanied by some continued financing.

Foreign trade has become increasingly important to the U.S. economy. Chart C illustrates the very rapid expansion of U.S. exports during the 1970's. World export volume is here in green; U.S. export volume is in red.

Trade was the fastest growing part of the world economy in the last decade; and in the latter part of the decade U.S. export volume grew more than twice as fast as the volume of total world exports.

As a result of this growth, as shown in chart D, U.S. exports in 1980 accounted for 19 percent of total U.S. production of goods, compared to only 9 percent 10 years earlier. You can see the 9 percent in blue over here; the 19 percent here in red.

U.S. agricultural exports, shown in chart E, rose from $7.3 billion in 1970 to $42 billion in 1980; and our surplus in agricultural trade rose from $1.6 to $24.3 billion in 1980.

You can see the dramatic increase in U.S. agricultural exports and the fact we do have a net balance now of some $24 billion in 1980.

U.S. trade balance in services, illustrated in chart F, rose from $3 billion in 1970 to $34 billion in 1980 and an estimated $38 billion in 1982. You can see the dramatic change in this U.S. balance of trade in services and the impact it has had. By 1980 U.S. export-related jobs totaled some 5.1 million.

As shown on chart G, this represented an increase of over 75 percent in export-related jobs during the 1970's; and, as of 1980, each $1 billion of U.S. exports was estimated to result in 24,000 jobs.

You can see the dramatic increase in the decade from just under 3 million to over 5 million. As a result, an additional $1 billion of U.S. exports will produce 24,000 jobs.

Chart H shows that nearly 30 percent of U.S. exports go to non-OPEC LDC's, representing a market of roughly $64 billion for U.S. goods in 1980. That is very important to us, this dramatic rise in exports to the non-OPEC LDC's in the decade from the seventies to the eighties.

On the banking side, there are also impacts of concern to all Americans. If the situation were handled badly enough, LDC borrowers could be driven to consider measures which would result in widespread banking losses. This could lead to a major reduction in the banks' ability to lend to domestic customers, and significant upward pressure on U.S. interest rates.

Our strategy for dealing with this threat has five elements: First, and in the long run most important, must be effective adjustment in borrowing countries. The second essential element is the continued availability of temporary balance-of-payments financing from the IMF.

Third is bridge financing by governments and central banks in lending countries in exceptional cases of systemwide danger.

Fourth is continued commercial bank lending to countries that are pursuing sound adjustment programs.

The final part of our strategy is to restore sustainable economic growth, while

avoiding protectionism which threatens both our own longrun growth prospects and the balance-of-payments adjustment efforts of the borrowing countries.

There are several reasons why the IMF has a central role in dealing with the current financial situation. IMF lending provides an extra margin of time and money which borrowers can use to bring their external positions back into reasonable balance in an orderly manner. The policy conditions attached to IMF lending are designed to assure that such adjustment does take place. In addition, a borrower's agreement with the IMF on an economic program is usually viewed as a "seal of approval" of the borrower's policies, and serves as a catalyst for additional private and official financing.

IMF conditionality has been controversial over the years, with some observers worrying that conditionality is so weak that IMF lending is really just another form of foreign aid, and others believing that conditionality is too tight.

The facts are that the IMF steers a middle course, requiring that adjustment measures be taken, but making it possible to adjust at an orderly rate. Most often IMF programs make possible a higher economic growth rate and a higher level of imports than would otherwise be the case—in the short run by providing financing which would not otherwise be available, and in the longer run by promoting sound economic policies and expanded export capacity. The current situation in Mexico is a good example.

Mexico is our third largest trading partner, after Canada and Japan. And, as recently as 1981, it was a partner with whom we had a substantial trade surplus. This changed dramatically in 1982, as Mexico began experiencing severe debt and liquidity problems. Our $4 billion trade surplus with Mexico in 1981 was transformed into a trade deficit of nearly $4 billion in 1982. This $8 billion deterioration, illustrated in Chart I, was our worst swing in trade performance with any country in the world, and it was due almost entirely to the financing problem.

You can see this, Mr. Chairman, here. Exports in black; imports in blue; and the trade balance, which had been favorable for so long, suddenly turning into a trade deficit with Mexico as a result of their financing problem.

We believe that now this situation will start to turn around, and we can begin to resume more normal exports to Mexico while its economy is put on a more sustainable path. If this happens, it will be due in large part to the fact that late in December an IMF program for Mexico went into effect.

Another important distinction between IMF financing and foreign aid is that all IMF members provide financing to the IMF under their quota subscriptions, and all, industrial and developing alike, have the right to draw on the IMF.

The United States has drawn on the IMF on 24 occasions, most recently in November 1978, and our cumulative drawings, amounting to the equivalent of $6.5 billion, are the second largest of any IMF member.

It now appears likely that the IMF's ability to commit resources to future adjustment programs will be exhausted by late 1983 or early 1984. If it is to continue playing its central role in resolving the debt problem, its resources will have to be expanded before then.

At the beginning of the current discussions of IMF resources in 1981, many IMF members favored a doubling or tripling of quotas. Ultimately the IMF membership agreed to our alternative proposals:

First, a much smaller quota increase, which would be adequate under normal circumstances. The agreed increase in IMF quotas is 47 percent, an increase from SDR 61 billion to SDR 90 billion; in current dollar terms, an increase from $67 billion to $99 billion. [7]

Second, establishment of a contingency borrowing arrangement that would be available to the IMF on a standby basis for use in situations threatening the stability of the system as a whole. The IMF's general arrangements to borrow would be modified for this purpose, and increased

[7] The Interim Committee of the IMF Board of Governors announced the increase on February 11, 1983, following a 2-day meeting in Washington. For the text of the communique, see *Global Economic Outlook: Hearings Before the Subcommittee on International Economic Policy and the Committee on Foreign Relations, United States Senate, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 442–445.

by about SDR 10.6 billion to a new total of SDR 17 billion. [8]

Overall, the proposed increase in U.S. commitments to the IMF totals the equivalent of $8.5 billion at current exchange rates. Of that total, about $5.8 billion would be for the quota increase and $2.7 billion for the GAB.

A topic of particular interest to this task force is how U.S. participation in the increase in IMF resources would affect the Federal budget and Treasury borrowing requirements. Because we receive a liquid monetary reserve asset in conjunction with our actual transfers of cash to the IMF, such transfers do not result in net budget outlays or an increase in the budget deficit.

However, actual cash transfers to and from the IMF do affect Treasury borrowing. This impact occurs as our quota in the IMF is drawn upon for lending, or as dollar repayments are received.

Thus the $5.8 billion we are proposing to add to our IMF quota would not raise Treasury borrowings by that full amount next year, but at most by smaller amounts over a number of years. Assuming that the full amount of the U.S. quota increase were committed to IMF programs in the first year, a very unlikely assumption, we would expect an average annual impact on Treasury borrowing requirements in the $1 to $1.5 billion range during 1984–87.

Historically, IMF operations have had an average annual impact on Treasury borrowing requirements of only about one-half billion dollars, although the pace has picked up in the last couple of years. Annex C [9] of my prepared statement presents data on the impact of IMF transactions on Treasury borrowing requirements since 1970.

The $2.7 billion increase in U.S. commitments to the GAB is for contingencies involving serious threats to the system. Our hope is that it will not need to be drawn on at all.

A major concern with the increase in IMF resources is that, in this period of budgetary stringency, many believe we would be better advised to spend the money at home.

There is also a feeling that if we can get the U.S. economy moving forward again the international debt problem will take care of itself.

We will do what is necessary domestically to strengthen our economy, but we will leave a major threat to domestic recovery unaddressed if we do not act to resolve the international financial situation. An improving U.S. economy is going to help other nations, both through our lower interest rates and through an expanding U.S. market for their exports. But they also have an immediate, shortrun financing crunch to get through, and if we don't handle that right there are substantial downside risks for our recovery.

There is also widespread concern that increased IMF resources would be used to bail out banks from a problem that is the result of their own lending decisions and do that at the expense of the taxpayer.

I would answer that the steps being taken to deal with the debt problem, including the increase in IMF resources, require continued bank involvement.

Far from allowing them to cut and run, orderly adjustment requires that banks increase lending to troubled borrowers that are prepared to adopt serious economic programs. They have just done that in the case of Brazil and Mexico.

Another point I would like to make is that the whole debt problem cannot fairly be said to be the fault of the commercial banks. Certainly, part of it relates to decisions by banks, and we are looking at ways of improving banking and regulatory practices to avoid a recurrence. But Government policies created the economic environment in which those loans looked good, and the environment in which they have since turned sour.

I would next like to summarize our proposals for U.S. participation in the IMF

[8] The increase in the IMF's General Arrangements to Borrow, announced by the finance ministers and central bank governors of the Group of Ten following their meeting on January 18, 1983, consisted of a rise from SDR 6.4 billion to SDR 17 billion, or from $7.1 billion to $19 billion in current dollars. For text of the press communiqué, see *ibid.*, pp. 446–448.

[9] Appendix C, "Budgetary and Financing Impact of Transactions with the IMF under the U.S. Quota in the IMF and U.S. Loans to the IMF", is printed in *International Monetary Fund Quota Increase*, pp. 64–69.

lateral development banks, the World Bank group, and the regional development banks. The objectives of MDB programs are markedly different from those of the IMF. They lend primarily to finance portions of specific investment projects over a longer term, and only to developing countries.

Because the MDB's are an important part of our total foreign assistance, we have been making a major effort to further improve their effectiveness. Such improvements include greater selectivity and conditionality in their lending, emphasis on catalyzing flows of private capital to complement their own lending, and graduation and maturation to target concessional lending on the countries with greatest needs.

For U.S. participation in the MDB's during fiscal year 1984, the administration is requesting $1.6 billion in budget authority. Of this amount, $193 million is for subscriptions to paid-in capital and the remainder is for contributions to the concessional windows of the MDB's. The actual budget outlays resulting from these would be spread over many years, as the banks made loans drawing on U.S. subscriptions and contributions.

In addition, we are requesting $2.9 billion in program limitations for subscriptions to the callable capital of the MDB's. The banks use callable capital as backing for borrowing on international capital markets. The capital itself could only be spent to meet MDB obligations for their borrowings and guarantees in the unlikely event that their other resources were insufficient to meet those liabilities.

We are also requesting budget authority for the Export-Import Bank of the United States of $3.8 billion in direct credits and $10 billion in guarantees and insurance in fiscal year 1984. The increased support for U.S. exports through guarantees and insurance is designed to encourage the continued availability of credit to finance U.S. exports at a time when debt problems have been making commercial lenders more cautious. The level of direct credit authority we are requiring reflects a general lowering of market interest rates which is making subsidized foreign financing less of a problem, as well as an effort to increase the use of long-term guarantees.

In addition, we will seek supplemental direct credit authority of up to $2.7 billion if foreign subsidized financing again emerges as a serious problem.

In conclusion, Mr. Chairman, the IMF plays a crucial role in the solution to current debt and liquidity problems, and in providing the environment for world recovery. It is absolutely essential that the proposed increase in IMF resources become effective by the end of this year to enable the IMF to meet these responsibilities.

Prompt U.S. approval is important not only because the financing is needed, but also because it would be a sign of confidence to other governments and to the public, and would help lay to rest concerns about the risks to global recovery.

But, most important, timely approval of these proposals is essential to our own economic interests, to the prospects for American business and American jobs. The legislation to give effect to these proposals was transmitted to the Congress last week. I urge that you give it prompt and favorable consideration.

Document 64

Statement by President Reagan, July 14, 1983 [10]

The Importance of Timely Congressional Action

In meetings here today, I have once again asked for congressional approval of the American share of an increase in lending resources for the International Monetary Fund (IMF). The Senate has already approved the request [11] and the House will take up the measure next week.

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[10] Source: White House Press Release, July 14, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, July 18, 1983, p. 999.

[11] The authorization for the administration request for an $8.4 billion increase in the U.S. quota for the International Monetary Fund and the General Arrangements to Borrow was

Continued

The IMF has been a cornerstone of U.S. foreign economic policy under Republican and Democratic administrations for nearly 40 years, and it remains a cornerstone of the foreign economic policy of this administration.

In the past decade the economy has witnessed soaring inflation and interest rates, plunging commodity prices, and worldwide recession. While the international economic outlook is now improving, the experience of past years has contributed to a major international debt problem that poses grave risks for the U.S. and world economies. We have formulated a strategy for dealing with this problem, and the IMF plays a key role in it. IMF resources, however, are running low and unless action is taken to increase them, the IMF may no longer be able to play that role.

Some argue that increasing IMF resources is simply a way to bail-out big bankers who made imprudent loans. This is wrong. In fact, IMF involvement has brought more, not less participation by private banks. It is important to remember that the IMF makes no gifts, that it lends money to governments, and that it charges interest on its loans and assures that proper economic policies are in place to correct the problems and to assure that the loans are repaid.

All of this is very important to the American economy. In 1980, U.S. exports accounted for 19 percent of total production of goods and, during the decade of the seventies, export-related jobs rose 75 percent to over 5 million. The ability of the IMF to deal with the current strains in the international financial system will have a powerful impact on American exports and on American jobs. If the IMF is not in a position to help countries help themselves, our economic recovery could be aborted and unemployment start rising again.

Therefore, I urge the House of Representatives to act favorably on this legislation. No legislation now before the Congress is more important to a healthy world economy and to a continuing economic recovery here in the United States.

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passed by the Senate on June 8, 1983. Regarding the fate of this legislation, see footnote 17 to document 67.

Document 65

Address by the Under Secretary of State for Economic Affairs (Wallis) Before the International Summer School of the American Bankers Association, August 25, 1983 [12]

Bankers and the International Debt

Bankers have never been popular. They are victims of irrational attitudes, fed in part by popular melodramas in which hard-hearted bankers drive kindly widows and lovable children from hearth and home. This attitude toward bankers and banking inevitably influences public policy. We see it today, for example, as opponents of the IMF quota legislation—both on the right and on the left—call the bill a "bail out" for big banks. "They made their bed, let them lie in it" is the argument.

Let's take a look tonight at the origins of today's "debt problem," paying particular attention to the role of private banks and other private financial institutions functioning in international capital markets. Then let's think about the way private institutions can play a constructive role in resolving the current situation, which is so often described as a "crisis."

Although the economic problems we are now experiencing seem to have arisen suddenly, they clearly had their roots in the economic environment and policies of the last two decades. Inflationary pressures began mounting during the late 1960s and were aggravated by (indeed, may have contributed to) the commodity boom of the early 1970s, including the first oil shock. In most industrialized countries, policies adopted after the first oil shock led to a surge of inflation; to large transfers of real income and wealth to oil exporters; and to a deterioration of the current account balances of oil importers. For the oil-importing LDCs, this process was compounded by the decline in export earnings when the commodity boom burst.

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[12] Source: *Current Policy* No. 505, August 25, 1983, Bureau of Public Affairs, Department of State. Wallis made the address in Washington, D.C.

For oil-importing countries, industrialized and developing alike, the appropriate policies would have been fiscal and monetary restraint to prevent transmission of the increases in the price of oil into increases in the general level of prices and adjustment of consumption to the lower real income that resulted from the higher price of oil. Instead, most oil-importing nations—developed and developing, including the United States—attempted to avoid the painful adjustments that were unavoidable by adopting inflationary domestic policies and by borrowing abroad to cover the swollen deficits in their current accounts.

Economic policies, our own included, did not face up to the need to adjust. Instead, their primary concern was efficient "recycling" of the OPEC surpluses—a euphemism for the idea that all countries would be able to borrow as much as they needed. The incentive to borrow rather than to adjust was strong. Interest rates were low in relation to current and expected inflation; liquidity was abundant; and both borrowers and lenders expected that continued inflation would lead to ever-increasing export revenues and reduce the real burden of foreign debts. These conditions persisted well into the second oil shock of 1978–79.

By the end of 1982, the total foreign debt of non-OPEC developing countries was over $600 billion—more than four times as large as it had been 10 years earlier. Most of the increases in foreign debt reflected borrowing from commercial banks in industrial countries. Lending by these banks to non-OPEC LDCs, for example, grew from $130 billion at the end of 1978, by $37 billion in 1979, by $43 billion in 1980, by $47 billion in 1981, and by $31 billion in 1982. By the end of 1982, the LDCs owed roughly $300 billion to commercial banks in the industrial countries. Since the early 1970s, commercial banks have provided over 60% of total LDC financing, up from 40% in the early 1970s. Thus, it is clear that any lasting solution to the debt problem must center around the commercial banks.

Expansionary policies and excessively easy monetary conditions were able to delay the need to adjust but not to eliminate it. For the past 2 years, we have been witnessing a collision between today's policies of restraint and the inflationary binge of the 1970s. The immediate result of this disinflation—necessary and desirable though it was—has been stagnating demand, depressed trade, and declining commodity prices. Interest rates are high by historical standards, in large part because expectations—based on experience—are that governments and central banks will not stay the course to eliminate inflation.

Disinflation has hit the LDCs hard. Aggregate real output of the LDCs this year is expected to grow by only 1%–1.5%, the least growth since 1980. African countries have been especially hard hit because of their dependence on exports of primary commodities and their inability to attract foreign private capital.

Austerity in developing countries can, if excessive, cause political turbulence that jeopardizes U.S. interests in various ways. In neighboring countries, economic difficulties stimulate illegal immigration into the United States. Economic troubles were probably a factor in recent political upheavals in such countries as Liberia, Ghana, and the Central African Republic. Earlier this year, rioting in Brazil was laid to debt-related austerity measures. The expulsion of immigrant workers from Nigeria was based on similar causes.

I do not want to overemphasize the political aspect of the debt crisis. LDCs must adjust to the new economic reality. But adjustment must take place within the limits of what is politically possible, with sufficient financial support to achieve stability and to permit these countries to prepare to take advantage of the economic recovery that is now starting.

The debt and liquidity problems did not develop overnight and neither will solutions. We in the Reagan Administration are, however, working on a broad-based strategy involving all the key participants—governments of the developing and industrialized countries, commercial banks, and the IMF. This strategy has five main parts.

First, and foremost, we must continue to work to restore sustainable noninflationary growth in the United States and to preserve and strengthen the free trading system. The elements for a recovery are in place. Interest and inflation rates are down and inventory rundowns are largely complete. There is strong evidence that recovery is underway in the United States, and there are signs of recovery in Britain, Germany, and Japan. We must, however,

exercise caution at this juncture. Excessive monetary or fiscal expansion would rekindle inflation. Yielding to protectionist pressures could abort the recovery.

The second part of our strategy is to get borrowing countries to adjust their economic policies. They must get their economies back on a stable course and make sure that their development programs are within their means. The adjustments cannot be completed overnight; in many cases it will take years. But impediments to recovery such as rigid exchange rates, subsidies, protectionist measures, uncontrolled government spending, and excessive creation of money are obvious places to start adjusting. The need for corrective policies has been recognized and is being acted on by many borrowers—in many cases with support from the IMF.

The third element of our strategy is that official balance-of-payments financing must be available to help see borrowers through the adjustment process. The IMF is the key to this. The IMF not only provides temporary balance-of-payments assistance but also ensures that use of its funds is linked to necessary changes of policy by borrowers. No other institution has the expertness or the prestige to enforce such measures. It is thus extremely important that the IMF has sufficient resources to carry out its mission. For that reason, the Administration is urging Congress to approve the proposed expansion of IMF quotas quickly.

The fourth element of our strategy is that governments and central banks in lending countries must be prepared to act quickly when debt emergencies occur. Recent experience has shown that often it is necessary to consider immediate and substantial short-term financing to tide countries over their negotiations with the IMF and discussions with other creditors. It must be emphasized that lending of this sort is very short-term and can only facilitate, not supplant, other arrangements.

The fifth element of our strategy is to encourage continuation of lending by commercial banks to countries that are pursuing sound adjustment programs. In the last few months of 1982, some banks, both in the United States and abroad, sought to limit or reduce outstanding loans to troubled borrowers. But an orderly resolution of this present situation requires not only a willingness by banks to rollover existing debts but in some cases even to increase their net lending to developing countries, including the most troubled borrowers.

While I have described these five points as the Reagan administration's policy—and they are—I should emphasize that the United States is not alone in dealing with the problem. The closeness and effectiveness of international cooperation, and of cooperation between governments and private financial institutions, have been noteworthy, even heart warming.

These five points form a comprehensive approach to the debt problems facing us today. The fifth element, continued commercial bank lending, is, however, impossible for a government such as ours to control. We cannot, nor do we want to, direct or assume responsibility for the lending decisions of private financial institutions.

Commercial banks are profit-making institutions and are responsible to their shareholders to make the best possible return. They are not foreign policy agencies, nor are they intended to provide development assistance. They are intermediaries between sources and users of funds. They must have confidence that their depositors are protected by reasonable prospects that loans will be repaid.

In domestic banking, the use of collateral contributes to an effective financial system. There is also an organized procedure for debtors to get out from under a burden of debt that is unsupportable. Bankruptcy is not without costs to creditor and debtor, but it is a proven, functioning mechanism in domestic business.

In the international arena, however, neither collateral nor bankruptcy procedures are available. Collateral is virtually meaningless in sovereign lending. Bankruptcy and default are not established means of reorganizing government debts. In addition, for reasons of foreign policy, governments in the banks' home countries get involved when payments on loans are in jeopardy. In fact, the question is now being asked: "How can governments get the banks to continue lending to the LDCs?"

The answer obviously is that if banks have reasonable assurance that continued lending will be profitable, they will continue to lend. That is at the heart of the way

a market system works. Prospects for profit depend on medium- and long-run factors, not just short-run; just as in domestic lending, it is not profitable to precipitate a crisis when the borrower has reasonable prospects of restoring its capacity to pay.

Rumors of "debtors' cartels," debt repudiation, unilateral payments moratoria, and other threats in that vein from debtors undermine confidence by introducing doubts about the will rather than the capacity of borrowers to repay. In international banking, even more than in domestic banking, confidence is essential.

The proper question, therefore, is how can reasonable assurance of repayment be maintained or restored so that private banks will continue to participate fully in international lending? The IMF clearly has a major role here. So do the borrowing countries, which must recognize that the banks will respond, first and foremost, to economic and financial incentives. The developed countries also have a responsibility. Debts cannot be paid unless export revenues can be earned. Manufacturing exports from developing countries face the stiffest of trade barriers. Commodity exports are particularly vulnerable to recession in the developed countries.

The next logical step in this line of reasoning, therefore, is to explore the relations between international finance and international trade. After all, international finance is simply the medium of exchange which facilitates trade. The greatest danger to the national welfare that would result from a collapse of the financial system would not be the losses suffered by banks and their stockholders. The greatest damage would be the collapse of the trading system that has been the driving force of postwar economic progress. If, however, I were to elaborate on the relation of finance to trade, I surely would go on for a full 50 minutes or more.

Instead, I will conclude by returning to the popular melodrama. It is not useful to look for a villain in the piece. What is useful is for all of the participants to examine their own roles. The important question that each participant must ask is whether he is contributing to the solution or to the problem. While governments, including ours, had much to do with creating the problem, I am satisfied that now our government is making major contributions to its solution. I hope that each of you can give sincerely a similar answer. I believe you can.

Document 66

Statement by President Reagan, September 9, 1983 (Extract) [13]

U.S. International Investment Policy

I am releasing a major statement on international investment. This statement was developed by my Senior Interdepartmental Group on International Economic Policy chaired by Treasury Secretary Regan, and encompasses the views of this administration on international investment.

The last time such a policy paper was released was in July of 1977—more than 6 years ago. Since then, we have come to view international investment which responds to market forces as a vital and necessary ingredient in a stable, growing world economy.

A world with strong foreign investment flows is the opposite of a zero-sum game. We believe there are only winners, no losers, and all participants gain from it.

International investment flows significantly affect the United States and world economies. With the current environment of widespread international debt problems, foreign direct investment flows take on increased importance. As the preeminent home and host country for foreign direct investment, we have a substantial interest in the conditions under which those flows occur.

The statement I am releasing enunciates the fundamental premise of our policy—that foreign investment flows which respond to private market forces will lead to more efficient international production

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[13] Source: White House Press Release, September 9, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, September 12, 1983, pp. 1214–1215. Only the executive summary of U.S. international investment policy is printed here. For full text, see *ibid.*, pp. 1214–1219.

and thereby benefit both home and host countries.

It also highlights three other important points. First, our concern with the increasing use of governmental measures to distort or impede international investment flows. Secondly, our strong support for the concept of national treatment which extends to foreign direct investors in the United States. And finally, an enumeration of specific multilateral and bilateral steps the administration has taken, and will take, to help liberalize international investment flows.

A free and open international investment climate will play a key role, not only in sustaining our own economic recovery here at home, but also in resolving many of the current international debt problems.

INTERNATIONAL INVESTMENT POLICY STATEMENT

Executive Summary

International direct investment plays a vital and expanding role in the world economy. To ensure its maximum contribution to both global and domestic economic well-being, the United States believes that international direct investment flows should be determined by private market forces and should receive non-discriminatory treatment consistent with the national treatment principle.

The United States welcomes foreign direct investment that flows according to market forces. The United States accords foreign investors the same fair, equitable, and non-discriminatory treatment it believes all governments should accord foreign direct investment under international law.

The United States opposes continued and increasing government intervention that impedes or distorts investment flows or attempts to shift artificially the benefits of these flows. These measures include trade-related or other performance requirements, fiscal or financial incentives, and discriminatory treatment of foreign investment.

To counter such measures, the United States will pursue an active international investment policy aimed at reducing foreign government actions that impede or distort investment flows, and at developing an international system, based on national treatment and most-favored-nation principles, that permits investment flows to respond more freely to market forces. The United States will work to protect U.S. investment abroad from treatment which is discriminatory or otherwise inconsistent with international law standards. Under international law, no U.S. investment should be expropriated unless the taking is done for a public purpose, is accomplished under due process of law, is non-discriminatory, does not violate previous contractual arrangements, and is accompanied by prompt, adequate, and effective compensation.

In carrying out its international investment policy, in multilateral institutions, the United States will continue to:

—encourage OECD member governments to adhere to, strengthen and extend OECD investment and capital liberalization instruments;

—explore ways of extending the principles embodied in the OECD instruments to non-OECD countries;

—support efforts to increase awareness of the extent and adverse effects of government intervention in order to build a global political consensus to reduce such intervention;

—work toward increased recognition of intellectual property rights;

—work in the OECD to examine investment problems that affect the service industries, recognizing that for these sectors the opportunity to do business in foreign countries is dependent, in many respects, on the ability to establish foreign operations that are governed by discriminatory investment rules;

—work in the OECD for a "data pledge" which would assure that no new barriers to data flows will be imposed by developed countries; and encourage all countries to join in adopting more open and liberal policies on transborder flows;

—work to ensure that any technology transfers which occur are carried out on a sound commercial basis subject to national security and foreign policy considerations;

—encourage the Multilateral Banks to explore ways to strengthen the private sector role in facilitating financial flows to the developing world;

—support investor access to third-party arbitration to settle investment disputes.

In its relations with individual countries, the United States will:

—provide services and assistance to American investors abroad, and offer the full support necessary to ensure that their investments are treated in accordance with standards of international law;

—seek to ensure that the provisions of U.S. Friendship, Commerce and Navigation treaties and bilateral investment treaties and agreements are fully observed;

—seek to conclude bilateral investment treaties and agreements with interested countries;

—explore other appropriate ways to support private direct investment in developing countries;

—reserve the right to take action against the use of performance requirements and similar policies, consistent with international obligations. The United States will also exercise its rights under existing international agreements.

The United States believes that a combination of multilateral and bilateral efforts will contribute to a more open global climate for investment and thus enhance the prospects for economic growth in the United States and globally.

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Document 67

Address by President Reagan Before the 38th Annual Meeting of the Boards of Governors of the International Monetary Fund and the World Bank Group, September 27, 1983 [14]

A Mission To Improve the Human Condition

Good morning, Mr. de Larosière, Governors of the World Bank, and its affiliates, and of the International Monetary Fund, distinguished colleagues and guests. On behalf of my fellow Americans, I'm delighted to welcome you to the United States and to our Nation's capital. And I am honored to have this opportunity to speak again to your distinguished members.

I say honored because I believe that your institutions, the World Bank and affiliates, and the International Monetary Fund, serve noble purposes. There can be no higher mission than to improve the human condition and to offer opportunities for fulfillment in our individual lives and the life of our national and world communities.

You are the leaders of the world community in bringing a better life to the diverse and often tragically poor people of our planet. You have worked tirelessly to preserve the framework for international economic cooperation and to generate confidence and competition in the world economy.

The unending quest for economic, social, and human improvement is the basic drive that inspires and unites all of us. In 1945, when your great institutions were established, the civilized world had been brought to its knees by a wave of totalitarian violence that inflicted suffering, sacrifice, and the suppression of human rights on millions of innocent people.

Security, freedom, and prosperity were very much on the minds of the citizens of the world in 1945. They should be on our minds today. The institutions you represent could not have been born, could not have flourished—and may I add will not survive—in a world dominated by a system of cruelty that disregards individual rights and the value of human life in its ruthless drive for power. No state can be regarded as preeminent over the rights of individuals. Individual rights are supreme.

In this civilization we have labored so faithfully to resurrect, preserve, and enhance, let us be ever mindful: It is not just

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[14] Source: White House Press Release, September 27, 1983, Office of the Press Secretary to the President, also printed in *Weekly Compilation of Presidential Documents*, October 3, 1983, pp. 1337–1341. The World Bank Group consists of the International Bank for Reconstruction and Development (or World Bank), the International Development Association, and the International Finance Corporation.

development and prosperity, but ultimately our peace and our freedom that are always at stake. Too often the demands of prosperity and security are viewed as competitors when, in fact, they are complementary, natural and necessary allies. We cannot prosper unless we are secure, and we cannot be secure unless we are free.

The goals of the great international, political, and economic institutions—the United Nations where I spoke yesterday, and the World Bank, its affiliates, and the IMF you represent here today—were to be reached by trusting in a shared and enduring truth: The keys to personal fulfillment, national development, human progress and world peace are freedom and responsibility for individuals and cooperation among nations. When I addressed the delegates of the United Nations yesterday, [15] I reminded them: You have the right to dream great dreams, to seek a better world for your people. And all of us have the responsibility to work for that better world. As caring, peaceful peoples, think what a powerful force for good we could be.

Today I come before your distinguished assembly in that same spirit—a messenger for prosperity and security through the principles of freedom, responsibility, and cooperation.

When our nations trusted in these great principles in the postwar years, the civilized world enjoyed unparalleled economic development and improvement in the human condition. We witnessed a virtual explosion of world output and trade, and the arrival of many free, self-determined, independent nation states as new members of the international system.

And, as I said when I last spoke to you, the societies that achieved the most spectacular, broad-based economic progress in the shortest period of time have not been the biggest in size, nor the richest in resources and certainly not the most rigidly controlled. What has united them all was their belief in the magic of the marketplace. Millions of individuals making their own decision in the marketplace will always allocate resources better than any centralized government planning process.

Trust the people, this is the crucial lesson of history. Because only when the human spirit is allowed to worship, invent, create and produce, only when individuals are given a personal stake in deciding their destiny and benefiting from their own risks, only then do societies become dynamic, prosperous, progressive and free.

In the turbulent decade of the 1970s, too many of us, the United States included, forgot the principles that produced the basis for our mutual economic progress. We permitted our governments to overspend, overtax and overregulate us toward soaring inflation and record interest rates. Now we see more clearly again. We are working and cooperating to bring our individual economies and the world economy back to more solid foundations of low inflation, personal incentives for saving and investment, higher productivity, and greater opportunities for our people.

Our first task was to get our own financial and economic house in order. Our countries are interdependent, but without a foundation of sound domestic policies, the international economic system cannot expand and improve. Merely providing additional official development assistance will not produce progress. This is true for all countries, developed and developing, without exception. As the 1983 development report of the World Bank [16] notes, "International actions will greatly improve the external environment confronting developing countries, but cannot supplant the efforts that the developing countries must make themselves."

I believe the United States is making real progress. Since we took office, we've reduced the rate of growth in our Federal Government's spending by nearly 40 percent. We have cut the inflation rate dramatically, from 12.4 percent, to 2.6 percent for the last 12 months. The prime interest rate has been cut nearly in half, from 21-1/2 percent to 11 percent. Figures released last week reveal our Gross National Product grew at an annual rate of almost 10 percent in the second quarter and about 7 percent is estimated for the third.

In the United States, we still face a large projected deficit which concerns us because deficit Federal spending and borrowing drain capital, capital that would

[15] See document 4.

[16] International Bank for Reconstruction and Development/World Bank, *World Development Report 1983* (Washington, 1983).

otherwise be invested for stronger economic growth. But as Secretary Regan correctly pointed out in the Interim Committee Sunday, the deficit is coming down as a result of economic growth. Revenues are higher than anticipated and we expect continued improvement. We'll continue to work for greater restraint in Federal spending but we will not risk sabotaging our economic expansion in a shortsighted attempt to reduce deficits by raising taxes. What tax increases would actually reduce is economic growth—by discouraging savings, investment and consumption.

One other point about the U.S. deficit: Let me make clear that it is caused in part by our determination to provide the military strength and political security to ensure peace in the world. Our commitment to military security is matched by our resolve to negotiate a verifiable nuclear arms reduction treaty. Only then can we safely reduce military expenditures and their drain on our resources. As I mentioned at the outset, there can be no lasting prosperity without security and freedom.

Turning more directly to economic development, all signs point to a world economic recovery gaining momentum. As early as last February, the Conference Board predicted that economic growth rates in the United States from six major industrial countries spell economic recovery in any language. Since then, industrial production in the OECD countries has been moving up. Your own IMF economists are predicting growth in the world economy of at least 3 percent next year. This is the brightest outlook in several years.

As the U.S. economy picks up steam, our imports rise with it. When you consider that half of all non-OPEC developing country manufactured goods exported to the industrialized countries come to the United States, it's clear what a strong stimulus our imports provide for economic expansion abroad. And as other economies prosper, our exports in turn increase. We all gain.

Many nations are moving steadily forward toward self-sustaining growth. And like us, they are doing it by relying again on the marketplace. This period of adjustment has not been easy for us. In fact, it's been very painful. But it is the one way that does work, and it's beginning to pay dividends.

Economic recovery is spreading its wings and taking flight. We all know those wings have not spread far enough. And I would add, recovery alone is not good enough. Our challenge is far greater: Lasting, worldwide economic expansion. Together, we must make the 1980s an historic era of transition toward sustained, noninflationary world growth. I have every confidence that we can, and with our combined leadership and cooperation, we will.

The IMF is the linchpin of the international financial system. Among official institutions, it serves as a counselor, coaxing the world economy toward renewed growth and stability. At various times in its history, the IMF has provided important temporary balance of payments assistance to its member nations, including my own. At times, it must play the "Dutch uncle," talking frankly, telling those of us in government things we need to hear, but would rather not. We know how significant the IMF's role has been in assisting troubled debtor countries, many of which are making courageous strides to regain financial health.

We warmly applaud the efforts of Mr. de Larosière and his staff.

My administration is committed to what is legitimately needed to help ensure that the IMF continues as the cornerstone of the international financial system. Let me make something very plain: I have an unbreakable commitment to increased funding for the IMF. But the U.S. Congress so far has failed to act to pass the enabling legislation.[17] I urge the Congress to be mindful of its responsibility and to meet the pledge of our government.

The IMF quota legislation has been pending for several months, and I do not appreciate the partisan wrangling and political posturing that have been associated with this issue during recent weeks. I urge members of both political parties to lay aside their differences, to abandon harsh rhetoric and unreasonable demands, and to get on with the task in a spirit of true

[17] The House of Representatives approved the administration's request for an IMF and GAB quota increase on November 18, 1983, with the passage of HR 3959, entitled the "Domestic Housing and International Recovery and Financial Stability Act". President Reagan signed the bill on November 30. For text of the IMF funding provision contained in Title XI of the Act, see 97 Stat. 1287.

bipartisanship. The stakes are great. This legislation is not only crucial to the recovery of America's trading partners abroad and to the stability of the entire international financial system, it is also necessary to a sustained recovery in the United States.

The sum we are requesting will not increase our budget deficit and it will be returned with interest as loans are repaid to the IMF. What's more, it will keep the wheels of world commerce turning and create jobs. Exports account for one out of eight manufacturing jobs in our country, the United States. Forty percent of our agricultural products are exported. I am afraid that even today too few in the Congress realize the United States is interdependent with both the developed and the developing world.

Examine the record: The United States has been a dependable partner, reaching out to help developing countries who are laboring under excessive debt burdens. These major debtor countries have already undertaken difficult measures in a concerted effort to get their economic houses in order. Most of them are working closely with the IMF to overcome economic hardships. They continue to demonstrate a commendable willingness to make necessary adjustments. And that's why I can state that our participation in the IMF quota increase is not a government bailout of these debtor countries or of the banks which are sharing the burden. On the contrary, IMF plans to assist financially troubled countries call for the banks to put up more new money than the IMF itself.

This is by nature a cooperative enterprise. If the Congress does not approve our participation, the inevitable consequence would be a withdrawal by other industrialized countries from doing their share. At the end of this road could be a major disruption of the entire world trading and financial systems—an economic nightmare that could plague generations to come. No one can afford to make light of the responsibility we all share.

We strongly support the World Bank. In fact, the United States remains its largest single contributor. We recognize its key role in stimulating world development and the vital assistance it provides to developing nations. Here again, I have proposed legislation to meet our commitment for funding the World Bank and especially the International Development Association. It is important that these funds be available to help the people in the poorest countries raise their standards of living. Tomorrow, Secretary Regan will be discussing both the Fund and the Bank in more detail. Because our investment in the World Bank's operations is so large, we feel a special responsibility to provide constructive suggestions to make it even more effective.

Let me simply underscore again a fundamental point. And I say this as the spokesman for a compassionate, caring people. The heart of America is good and her heart is true. We've provided more concessional assistance to developing nations than any other country—more than $130 billion in the last three decades. Whether the question at hand be bank project financing or fund balance of payments assistance, it must be considered a complement to, not a substitute for, sound policies at home. If policies are sound, financing can be beneficial. If policies are irresponsible, all the aid in the world will be no more than money down the drain.

As we work together for recovery, we must be on guard against storm clouds of protectionist pressures building on the horizon. At the recent Economic Summit in Williamsburg, my fellow leaders and I renewed our commitment to an open and expanding world trading system. The Williamsburg Declaration reads, "We commit ourselves to halt protectionism, and as recovery proceeds, to reverse it by dismantling trade barriers."[18]

Whether such words will prove to be empty promises, or symbols of a powerful commitment, depends on the real day-to-day actions which each of our governments take. Everyone is against protectionism in the abstract. That is easy. It is another matter to make the hard, courageous choices when it is your industry or your business that appears to be hurt by foreign competition. I know, we in the United States deal with the problem of protectionism every day of the year.

We are far from perfect, but the United States offers the most free and open economy in the world. We import far more goods than any nation on earth. There is more foreign investment here than any

[18] See document 29.

where else. And access to our commercial and capital markets is relatively free.

Protectionism is not a problem solver; it is a problem creator. Protectionism invites retaliation. It means you will buy less from your trading partners, they will buy less from you, the world economic pie will shrink and the danger of political turmoil will increase.

You know, I've made this analogy before. But we and our trading partners are in the same boat. If one partner shoots a hole in the bottom of the boat, does it make sense for the other partner to shoot another hole in the boat? Some people say yes and call it getting tough. I call it getting wet—all over.

We must plug the holes in the boat of open markets and free trade and set sail again in the direction of prosperity.

No one should mistake our determination to use our full power and influence to prevent anyone from destroying the boat and sinking us all.

I firmly believe that we can and must go forward together, hand in hand, not looking for easy villains to explain our problems, but resolved to pursue the proven path on which these institutions embarked almost four decades ago—a path of economic progress and political independence for all countries and for all people.

In closing, let me share with you a very deep personal belief I hold. We are all sovereign nations and therefore free to choose our own way as long as we do not transgress upon the sovereign rights of one another. But we cannot really be free as independent states unless we respect the freedom and independence of each of our own individual citizens. In improving their lot, which is the only reason you and I hold high offices in our lands, we cannot forget that how we help them progress economically must be consistent with this highest objective of all—their personal dignity, their independence, and ultimately their freedom. That's what this job of ours is all about.

Thank you very much, and God bless you all. (Applause)

D. Energy Policy

Document 68

Statement by the Secretary of Energy (Hodel) Before a Subcommittee of the House Government Operations Committee, March 17, 1983 [1]

International Oil Markets and U.S. Energy Policy

I appreciate the opportunity to be here today, Mr. Chairman, and discuss with you and the members of your committee some of the issues that have been raised.

In the invitation, the question had to do with OPEC pricing, and that is what my opening statement [2] deals with. It does not deal with some of the other issues which have been raised in your opening statement. [3]

But I would certainly agree, we are at a time when a careful and thoughtful review of all our energy policies is in order, because we are at a time of a market change. And clearly, something must be done to analyze what those impacts will be.

I would be misleading you, Mr. Chairman and members of the committee, if I thought that I could come up here today and resolve all those issues and answer all those questions in a definitive way, but I would certainly look forward to the discussion that I hope will ensue.

I have tried to be, as Congressman Wise indicated, open and accessible to Members of Congress who are concerned about energy issues, and I only wish I were as knowledgeable or felt as knowledgeable as Congressman Craig indicated

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[1] Source: *Impact on U.S. Energy Policy of Recent OPEC Activities: Hearings Before a Subcommittee of the Committee on Government Operations, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 111–114. Representative Mike Synar conducted the hearing as Chairman of the Subcommittee on Environment, Energy, and Natural Resources.

[2] For text of Hodel's prepared statement, see *ibid.*, pp. 160–169.

[3] The Chairman's opening statement is printed *ibid.*, pp. 105–106.

he thought I was. I will probably get an opportunity to display the level of knowledge that I don't feel I have today in the course of this hearing.

I would like to introduce the Deputy Assistant Secretary for International Affairs of the Department of Energy, Mr. George Bradley, who is also, I think, very knowledgeable with regard to the international activities of the Department, and particularly with regard to international oil activities, since that is an area that we pay particular attention to.

I certainly agree with the committee that these hearings come at an interesting juncture because of the oil market situation as OPEC has just cut the nominal price for its oil for the first time in its history.

The decline in oil prices resulted from the continued softness in world oil markets, which is primarily due to decline in free world consumption of approximately 7 million barrels per day or 13 percent from its peak of 52.4 million barrels a day in 1979 to a level of 45.5 million barrels a day last year.

Second, there has been an increase in the non-OPEC oil production of about 2.5 million barrels a day, which is a 12-percent increase—actually greater than a 12-percent increase during that period.

A number of the other factors have contributed additional downward pressure on price—and certainly during this last winter—including oil demand that's been further depressed by unseasonably warm weather, additional efficiency gains that have been made in energy, and particularly oil use; worldwide economic performance has been sluggish; inventories have been liquidated by those holding them at higher-than-normal rates; the market has lost confidence in OPEC's ability to restore stability; and most non-OPEC producers and several OPEC producers have either unilaterally, officially or unofficially, cut the price of oil.

These deteriorating conditions in the world oil market have caused OPEC, and even some non-OPEC, production levels to fall dramatically.

OPEC's current production is estimated to be at about the 14-million-barrels-a-day level, which is 5 million barrels a day less than last year's depressed level of production for OPEC of 18.8 million barrels a day.

While some rebound in OPEC's production is likely as the year progresses, OPEC's share of free world oil supplies, in our view, will fall to between 40 and 45 percent from its peak of 62 percent in 1979.

Saudi Arabia has borne the bulk of this decline having had its production decline from nearly 10 million barrels a day in 1981 to 3.7 million barrels a day in the month of February—this year, a rather marked decline.

The market situation has led to renewed OPEC price and production negotiations and then the subsequent agreement which was announced on March 14, 1982.

My understanding is, this agreement provides for: A reduction in the price of Saudi light, the OPEC market crude, by $5, from $34 to $29 per barrel; continuation of the existing quality price differentials, with the exception of Nigeria, where a special provision allows it to price its crude 50 cents below competitive crudes; establishment of an overall OPEC ceiling of 17.5 million barrels a day which is 500,000 barrels per day above the current level of production, with an allocation of individual production quotas for all countries except Saudi Arabia, which becomes the swing producer under that agreement. And member countries agree to avoid giving discounts.

The impact of the recent OPEC agreement on future oil market developments is too uncertain to predict, with confidence, obviously. Spot prices continue to run well below the new official sales prices. We saw indications that some major suppliers in the international market had already determined to go below that price. OPEC production levels are significantly lower than the agreed 17.5-million-barrels-a-day quota, and current consumption and inventory trends certainly are subject to change.

A climate of uncertainty exists that is fueling speculation that the prices could decline even further. There is a possibility that present market conditions will continue with little improvement thus forcing another reduction in OPEC prices, but not necessarily in a formal way. It may be that producers in OPEC will seek through discounts or other arrangements to find the

bottom of the market without having to change the formal published price to a lower level.

The final outcome of the price slide, obviously, is uncertain. Even a relatively precipitous price decline would be generally beneficial. Our preliminary thinking has concluded that even a further drop in oil prices would certainly be manageable. It would lead to higher economic growth in employment and lower inflation which would more than offset adverse effects on oil industry profits and incentives or exploration, conservation, and alternative energy development. On balance we think it would have a beneficial effect on world economic recovery as well, Mr. Chairman.

The current world oil situation is extremely favorable from an energy supply perspective. Rapid increases in oil prices in the wake of the Iranian revolution have produced drastic declines in oil consumption and major gains in non-OPEC oil supplies. This trend has been particularly pronounced for the United States.

U.S. oil consumption has fallen 3.2 million barrels per day or about 17 percent between 1977 and 1982. This reduction is greater than the consumption of any other individual country, with the exception of Japan and the Soviet Union.

Last year, OPEC supplied 14 percent of our oil consumption and 42 percent of our oil imports, compared to 34 percent and 70 percent respectively in 1977; a marked change, one which I commented on in an earlier hearing and was misunderstood to be suggesting that they were no longer significant, which was certainly not what I intended to imply but rather that the extent of their significance has certainly been affected by the change in those levels.

On the other hand, OPEC still supplies a major portion of the oil consumed by our Western European allies and by Japan. Price increases and demand declines have also brought about changes in oil inventory levels. Nevertheless, U.S. oil inventories, as of the beginning of March 1983, amounted to approximately 329 days of 1982 U.S. net import levels. Worldwide government strategic reserves have increased to some 650 million barrels, 309 million barrels are in the United States alone, in the strategic petroleum reserve. These Government reserves provide flexibility in dealing with potential disruptions. And total world inventory levels—although they have fallen from the peak reached in 1981—relative to consumption, they provide greater coverage than was available to us at the time of the Iranian revolution.

Future conditions in the world oil market, obviously are speculative; but the current levels of excess oil production capacity in the world will probably cause oil prices to continue to decline in real terms; how long that will continue depends on circumstances which are beyond our control. But certainly if we had no major disruptions, no significant changes, we would anticipate that this could continue for a year or two, or perhaps slightly longer.

However, the stimulative effects of this price decline on economic growth and oil demand could lead to a gradual firming of the oil market in the latter half of this decade, and perhaps much sooner.

The future remains subject to uncertainty in regard to the course of oil prices, levels of economic growth and the possibility of unexpected disruptions. As a result, we attempt to continue to exercise our vigilance to strengthen our energy emergency response programs here at home, and to work with our allies in the International Energy Agency to insure that we are properly prepared to meet any reasonable eventuality.

Mr. Chairman, that completes a summary of my opening statement. I will be happy to attempt to respond to the committee's questions.

Document 69

Statement by the Secretary of Energy (Hodel) Before a Subcommittee of the House Energy and Commerce Committee, June 30, 1983 [4]

The Strategic Petroleum Reserve Program

SECRETARY HODEL. Thank you, Mr. Chairman. I have a prepared statement

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[4] Source: *Strategic Petroleum Reserve: Hearings Before the Subcommittee on Fossil and Synthetic Fuels Continued*

which I would like to submit for the record. [5]

MR. SHARP. We will certainly make that a part of the record.

SECRETARY HODEL. In the prepared statement we deal with a number of questions you raised in your opening statement, [6] as well as the questions raised in the letter inviting us to this hearing. Rather than going through those in detail, perhaps it would be appropriate if I summarize some of the points that I think are important, and then go to questions.

We are aware that when the administration came into office we had approximately 110 million barrels in the strategic petroleum reserve, and since that time the inventory has tripled to over 330 million barrels. At the present rate of fill, which will average 220,000 barrels a day for fiscal year 1983, [7] we will end this fiscal year with a total of 358 million barrels in the strategic petroleum reserve. We have already acquired the oil necessary to reach that level. We already have that under contract.

We are seeking currently to work with Congress to develop and adopt a plan which will provide a long-term stable, and agreed-upon fill rate which will complete the strategic petroleum reserve at the 750-million-barrel level that was originally targeted. We are currently in discussions about that with Members of Congress on both sides of the Capitol. We currently are proposing in those discussions that we would fill at a steady 145,000-barrel-a-day rate, not only in fiscal year 1984 but in future years, which would then bring us to the completion level of 750 million barrels just shortly after the close of calendar year 1990.

The 500-million-barrel level would be achieved during 1986, fiscal year 1986, which would be 1 year earlier than under the budget proposal we now have before Congress. The fiscal year 1984 budget proposal, which you referenced in your statement, proposed a fill rate of 145,000 barrels a day in fiscal year 1984 dropping to a flat rate of 100,000 barrels a day thereafter. That proposal would have gotten us to 500 million barrels 1 year later than our current proposal. In the course of following the 145,000-barrel-a-day proposal, we would be filling the strategic petroleum reserve to 95 percent of its capacity at all times. We would stay within that range throughout these years. That would leave us some flexibility, that 5-percent capacity would leave us some flexibility for spot purchases in very favorable circumstances or for some of the kinds of purchases we have entered into previously for reasons in addition to the filling of SPR such as our agreement with Mexico. Our proposal would also give us flexibility against any developmental problems that could occur, so we would not be in the position of having to use interim storage.

A graph attached to my testimony illustrates the relative position of the fill as proposed at 145,000 barrels a day and storage capacity. If this proposal is adopted, it would permit us to continue the fill of the strategic petroleum reserve without having to go to interim storage, and we think that that would be a positive step.

I would like to emphasize that the administration has demonstrated its concern for the security and safety of this Nation and its concern for national defense, and we have tried to evaluate the competing interests of extremely difficult budget deficit problems, as presented in the annual budget picture, and the need for continued fill rate. When we look at the numbers of dollars involved here in this program, and the rate at which we are filling the reserve, we think it is important to try to analyze how much insurance we want to pay and at what rate. That is how we look at the strategic petroleum reserve.

When as a nation we began the strategic petroleum reserve some 5 years ago our objective was to provide 750 million barrels in the strategic petroleum reserve at

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of the Committee on Energy and Commerce, House of Representatives, Ninety-eighth Congress, First Session (Washington, 1983), pp. 233–235. Representative Philip R. Sharp, Chairman of the Subcommittee on Fossil and Synthetic Fuels, conducted the hearing.

[5] For text of Hodel's prepared statement, see *ibid.*, pp. 236–249.

[6] The Chairman's opening statement is printed *ibid.*, pp. 231–232.

[7] On December 1, 1982, President Reagan advised Congress that he did not intend to fill the Strategic Petroleum Reserve at the rate of 300,000 barrels per day, as stipulated in Section 160 (c)(1)(B) of the Energy Policy and Conservation Act of 1975, as amended by Section 4(a) of the Energy Emergency Preparedness Act of 1982. For text of the section, see 96 Stat. 251. For text of President Reagan's message to Congress, see *American Foreign Policy: Current Documents, 1982*, p. 273.

the end of the eighties in order to provide us protection against 8 to 11 million barrels a day of imports. None of our current projections bring us to those levels of import in the foreseeable future, so we find ourselves today very close to the level of protection that was anticipated at the end of the filling of the SPR. Currently we have 80 to 90 days of protection against virtually a total interruption of the supply of oil by imports, far ahead of where we thought we would be at this time. I believe, and I know you do as well, Mr. Chairman, that this is not a long-term drop in the consumption of oil, that will increase, and we expect imports to increase. Our projections are that the increased rate of imports will not reach the 8-million-barrel-a-day level in this decade. As a result, we see continued better protection from the reserve that we now have than we anticipated, and if we continue to fill as we are proposing at 145,000 barrels a day, it does bring us to the 750 million barrels at quite a rapid rate compared to the level of consumption.

I think with that, Mr. Chairman, I would be happy to stop and respond specifically to the questions you may wish to raise.

Document 70

Statement by President Reagan, October 4, 1983 [8]

The National Energy Policy Plan

The U.S. energy situation today is significantly better than it was in 1981 when my administration took office.

Total energy efficiency has increased, domestic energy resources are being developed more effectively, oil prices have declined, U.S. dependence on foreign energy sources has diminished, and the Nation's vulnerability to energy supply disruptions has been reduced markedly, especially through additions to our Strategic Petroleum Reserve and through lower levels of oil imports. Only about 1/4 of our oil consumption this year is from imports, and less than half of that from OPEC. The real price of imported oil to the United States has fallen almost 40 percent.

A key factor contributing to today's improved U.S. energy situation is the implementation of a national energy policy first described in my 1981 National Energy Policy Plan. [9] This policy includes a goal, strategies for pursuing that goal, and federal programs and action determined by those strategies.

A hallmark of our national energy policy is to foster an adequate supply of energy at reasonable costs, minimize federal control and involvement in energy markets, and promote a balanced and mixed energy resource system.

I am proud of the actions we have taken since 1981 which have led to substantial progress and a reinvigorated national energy system.

We have removed price and allocation controls on crude oil and petroleum products. This has resulted in increased production of domestic resources and lower gasoline prices to consumers. Real gasoline prices are about 15 percent below pre-decontrol levels.

Since the end of 1980, the amount of oil stored in the Strategic Petroleum Reserve has tripled, to more than 360 million barrels today. It now holds about 90 days of our average net oil imports, and well over a year of our Arab OPEC imports. Together with private petroleum stockpiles, the SPR is an important part of our program for improving international energy security. It can be an invaluable form of insurance against the potentially severe effects of an oil supply interruption.

The world energy scene remains volatile. Even though we now produce about 90 percent as much energy as we consume, we need to press onward with improvements. The National Energy Policy Plan we transmit to Congress today [10] dis-

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[8] Source: White House Press Release, October 4, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, October 10, 1983, pp. 1388–1389.

[9] For text, see *American Foreign Policy: Current Documents, 1981*, pp. 236–237.

[10] The plan transmitted to Congress was entitled, "The National Energy Policy Plan, October 1983, A Report to the Congress Required by

Continued

cusses all of our plans and accomplishments. But it emphasizes the need to finish the task of decontrolling natural gas. Today, the regulatory system has led to higher prices and lower supplies. Today we have unused capacity that natural gas control is restricting. That capacity could lower prices, reduce oil imports, and set us on a sensible course for the future. I will be working closely with the Senate and House in the weeks ahead to pass sensible natural gas legislation to allow the market to work.

We can face the energy future with confidence, not complacency. We must all continue to use energy prudently, and to improve our technology for finding and conserving energy. With the leadership of Secretary Hodel in the Energy Department, and under the guidance of the National Energy Policy Plan, we will continue to improve our energy situation, through the efforts and genius of the American people.

Document 71

Statement by the Deputy Assistant Secretary of State for International Energy and Resources Policy (Wendt) Before the Senate Energy and Natural Resources Committee, October 19, 1983 [11]

U.S. Readiness To Meet an Energy Emergency

Thank you very much, Mr. Chairman. I will as you suggested give the highlights of my testimony. [12]

I think this hearing is timely because as events in the Middle East remind us again there is always the possibility of a supply disruption, and while no one can predict what events may transpire as a result of the Iran/Iraq war, we certainly can't rule out the possibility that the conflict could affect our energy supplies.

I think, Mr. Chairman, that the United States is well prepared for an energy emergency. As Mr. Vaughan said, [13] we have a strategic petroleum reserve now of over 365 million barrels. We also have, through the IEA, a system of providing for participation with our allies in an international energy emergency sharing scheme, and the benefits of this system I think are quite significant.

First, the system can help mitigate the economic damage that would result from an interruption of oil imports. Under the terms of that system, our partners in the IEA guarantee that in a major oil crisis the United States will not absorb a greater portion of an oil supply shortage than that which they themselves are absorbing, and it has already been noted here this morning that in the 1973-1974 Arab boycott the United States was singled out, along with the Netherlands, for an embargo.

The second benefit of our participation in the IEA is in the area of national security interests. It has long been a fundamental tenet of our national security policy that our safety is linked inextricably to that of our allies in Western Europe and the Far East. Over the years we have made substantial sacrifices and investments in support of those alliances and in our view our commitment to the IEA and its sharing system is one of the smaller of those investments.

An interruption of major proportions in oil supplies could provoke a very divisive competition for oil supplies among us and our allies. Those of our allies who are more dependent upon imports than we are, would be under strong pressure to reach accommodations of the sort that could seriously affect our ability to deal with these situations.

The IEA sharing system was designed to reinforce our alliances at a time of energy crisis and to distribute the burden

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Title VIII of the Department of Energy Organization Act (P.L. 95-91), U.S. Department of Energy," (Washington, 1983), 25 pp.

[11] Source: *Energy Emergency Preparedness Act Amendments of 1983; and the International Energy Agency Program: Hearing Before the Committee on Energy and Natural Resources, United States Senate, Ninety-eighth Congress, First Session on S. 1678* (Washington, 1984), pp. 117-119. Senator James A. McClure, Chairman of the committee, conducted the hearing.

[12] For text of Wendt's prepared statement, see *ibid.*, pp. 120-128.

[13] William A. Vaughan, Assistant Secretary of Energy for Environmental Protection, Safety, and Emergency Preparedness, directly preceded Wendt on the witness stand. The text of his statement appears *ibid.*, pp. 82-88.

of dealing with supply disruptions in an equitable manner.

The third major benefit of our participation in the IEA is in the opportunity it provides for consultation and cooperation.

Let me just cite a very brief example of that sort of cooperation, and that is the Soviet gas pipeline affair. I won't go into the details, but through the IEA and the OECD a contentious and divisive problem was successfully resolved.

I think it is fair to conclude, Mr. Chairman, that our participation in the IEA is as relevant to our security interests today as it was when the agency was created in 1974.

Let me just say a few words about the recent allocations systems test of the IEA,[14] which Mr. Vaughan described in somewhat greater detail.[15]

I think we have to put this test into a reasonable perspective. There have been people and articles in the press that have attempted to draw conclusions from the test which are not warranted.

First of all, as Mr. Vaughan said, the exercise was a test of procedures and not policies. Second, the test was a training exercise and provided excellent exposure to the kinds of difficult decisions we would face in a real energy crisis.

I would not suggest, Mr. Chairman, that everything went perfectly in AST–4. There has been some criticism focused on what was perceived as the danger of exclusive reliance on price to restrain demand and a lack of commitment to the IEA that that exclusive reliance might imply.

We have reassured our IEA partners, Mr. Chairman, that in fact our commitment to the IEA is as strong as ever and that we fully intend to meet our obligations under the international energy program.

We do recognize that AST–4 highlighted the need for improvement in some areas of our response procedures, and I emphasize procedures, and we intend to pursue these expeditiously.

Briefly, Mr. Chairman, our reporting companies on the question of antitrust considerations have indicated that, in the absence of the protection afforded by EPCA 252,[16] they would not participate in the IEA's allocation information system. Extension of EPCA 252 as provided for in the legislation under discussion would permit us to continue to rely on the resource, know-how and efficiency of commercial enterprises to manage under Government supervision any oil movements which may be required.

Consequently, Mr. Chairman, we consider that extension of EPCA 252 is absolutely essential.

In conclusion, Mr. Chairman, let me just say that I think the United States is well protected against the worst effects of a major supply disruption but, at the same time, recent experience does provide us with opportunities to make further improvements in our emergency preparedness and we are working with the Department of Energy toward that end.

Thank you, Mr. Chairman, and I will be happy to try to answer any questions.

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[14] During May and June 1983 the International Energy Agency conducted its fourth allocations systems test (AST–4), which analyzed the emergency measures taken by participating countries in response to a hypothetical disruption of international oil supplies. The success of the test was largely determined by the ability of IEA members to share available supplies equitably. In addition to the 20 nations that comprise the IEA, 19 major oil companies and several states within the U.S. took part in the exercise. Documentation on the outcome of AST–4 is provided in the appendices of the published hearing.

[15] For Vaughan's remarks on AST–4, see *Energy Emergency Preparedness Amendments of 1983*, pp. 83–84.

[16] Section 252 of the Energy Policy and Conservation Act of 1975 (EPCA 252) provides oil companies with immunity from antitrust laws in their efforts to carry out voluntary allocation agreements as part of an international energy program. For text of the section, see 89 Stat. 894.

E. Foreign Assistance and Third World Issues

Document 72

Address by the Secretary of State (Shultz) Before the Southern Center for International Studies, Atlanta, February 24, 1983 [1]

U.S. Security and Economic Assistance Policy

I appreciate your warm welcome. This is the fourth and fifth capital I've visited this month. Earlier I visited Tokyo, Seoul, and Peking. Today I'm happy to be in Atlanta, the capital of Georgia, and Atlanta, the capital of the South. I'm asked to say if there's anyone here who disputes that last designation, please see Andrew Young outside after the meeting.

A speech such as today's provides an opportunity to use a wide angle lens.

Although the broad picture is ever in our mind, the day to day business of the State Department generally finds us using —not the broad brush—but the jeweler's glass as we examine the myriad individual issues on which our foreign relations turn.

So today I want to begin by opening the lens full scope. I will describe the fundamental tenets which underlie President Reagan's foreign policy.

Then I plan to turn the lens down in two successive notches: first, a moderate turn to discuss the importance to our foreign policy of the more than 100 developing countries of the Third World—Asia, Africa, and South America.

Finally, I plan to focus way down and—in this time of tight budgets—discuss the funds which the United States must expend to achieve its objectives. Contrary to popular opinion, the currency of foreign affairs is not cookies. It takes resources—modest but sustained, applied credibly over time—to secure international peace, foster economic growth, and help ensure the well being of each of our citizens.

But let's start with the broader view.

Since inauguration day 2 years ago, President Reagan has sought to revitalize U.S. foreign policy. He is resolved to reduce a decade's accumulation of doubt about the United States' commitment and staying power. Our watchwords are four ideas that guide our actions:

—We start with realism.

—We build our strength.

—We stress the indispensable need to negotiate and reach agreements.

—We believe that progress is possible even though the tasks are difficult and complex.

Realism is the first requisite. If we are to improve the world, we must first understand it—the good and the bad. Much of present day reality is not pleasing. But describing conditions as we see them—as President Reagan has done over the course of his term—is not to seek confrontation. It is to point the way toward change and create the shared understandings which must precede change.

So when we've seen aggression, we've called it aggression. When we've seen subversion, we've so named it. When we've seen repression, we've called it repression.

Events in Poland and Afghanistan cannot be ignored or explained away. We have made clear to the Soviet Union in both public and private conversations that the lubricant for easing international tensions must be actions not just words. We've also not shied from raising problems—such as trade restrictions—with some of our closest allies. Realism in assessing the world's circumstances and clarity in articulating our views is fundamental, we believe, to rectifying problems.

The next requisite is *strength:* military, economic, and political. President Reagan has increased our defense budget in order to ensure that the United States, its allies, and its friends have the means to deter aggression. We seek increased funds to reinforce the bulwarks which presage peace. I am confident that the people and the

[1] Source: Department of State Press Release 62, February 24, 1983; printed also in Department of State *Bulletin*, April 1983, pp. 25–28.

Congress will continue to support the President's program of preparedness.

Economic strength is of similar weight. Clearly, the recession of the past two years has produced severe strains. The world is coming through a period of painful decompression from the inflationary surge of the 1970's. This has left us with problems of high unemployment, large public sector deficits, and the heavy debt burden of some developing nations.

The number one remedy for alleviating these problems is restarting noninflationary growth. The United States, I believe, is poised for a healthy expansion. But the United States can not be the single locomotive which pulls the whole world up. We must act in concert with other industrialized countries to spur investment, improve productivity, and restore economic strength.

Beyond the economy and our defense forces, the bedrock of U.S. strength is our political values: a free press, free trade unions, free political parties, and the rule of laws. To the extent we live these values, we proclaim them. And to the extent we proclaim them—as President Reagan has done in his initiative to enhance the spread of democracy—we offer a way out to the many whose lives are politically and economically repressed. This administration is dedicated to strengthening the world's commitment to democracy as a fundamental reflection, and reinforcement, of our own strength.

Negotiation is our third watchword. My early professional experience was in the labor field. From those early days down to my most recent talks in Peking, I remain convinced of the efficacy of negotiations. Today, we are negotiating—earnestly, searchingly—in the Middle East and in the arms reduction talks. Both efforts are proceeding slowly against a promise of tremendous potential pay-off.

But in addition, underneath these well publicized talks, we are talking on dozens of other issues around the world. In fact one of the most significant and little noted changes in the past 30 years is how extensive the world machinery for consultations has become. Name an international issue—large or small—and there is probably established international machinery for adjudicating, or at least working on it.

We are not yet a world at peace, but we are in many ways a world at talk. And this is an encouraging circumstance.

Realism, strength, and *negotiation*—coupled with optimism that progress is possible: These are the lamps which light this administration's approach to foreign affairs. They apply to our dealings with our European allies, and to the Soviet Union and Eastern Europe. They apply also to our dealings with the Third World—the subject to which I now turn.

Many of our citizens still see the developing countries as accessories to our basic interests. But over the past two decades, these countries have increasingly moved to the front of the stage where issues of peace and prosperity are played out

I believe this trend has assumed such proportions that I can advance two fundamental propositions:

—First there will be no enduring economic prosperity for our country without economic growth in the Third World.

—Second, there will not be security and peace for our citizens without stability and peace in the developing countries.

Let me explain.

For the past 15 years, until the current recession took its toll, the developing countries as a whole have been growing more rapidly than the United States and Europe. As they have grown, they've become increasingly important as customers and suppliers for ourselves and other industrial nations.

In 1980, developing countries purchased about 40 percent of U.S. exports—more than bought by Western Europe, Eastern Europe, the Soviet Union, and China combined. These countries have accounted for more than half the growth in U.S. exports since 1975. At this juncture, approximately 1 out of every 20 workers in our manufacturing plants and 1 out of every 5 acres of our farmland produce for Third World markets.

The current worldwide recession has vividly—if painfully—highlighted these relationships. In the past several years growth rates in the developing countries have dropped from over 5 percent per year to around 2 percent. Partly as a result, our exports to these countries—which were increasing at more than 30

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percent a year in the late 1970's—have tapered off. For example, in the first eight months of 1982, U.S. exports to Mexico dropped 26 percent, to Chile 59 percent, and to Thailand 25 percent. Every $1.0 billion decline in U.S. exports has erased 60,000 to 70,000 U.S. jobs.

Today some of the workers in our unemployment lines and some of the businesses and farms on the auction block are living, if unwanted, proof that the well-being of our citizens is linked to the well-being of citizens in the Third World.

On the other side of the trade ledger, the developing countries supply about 40–45 percent of the goods which we import for our factories and consumers. Although we are richer in minerals than most industrialized countries, the Third World supplies more than half the bauxite, tin, and cobalt used by U.S. industry. For some 11 other strategic metals and minerals, the developing countries supply more than half of our imports. For some natural products, such as rubber, coffee, cocoa, and hard fibers, the Third World supplies everything we use.

This intertwining of the European and our economy with those of the Third World will increase in the 1980's and 1990's. As the recession fades, we can expect the faster growing countries—particularly in Asia, but also in South America—to resume their role as engines of growth in the world economy. They will open up new opportunities for our exports and jobs for our citizens. We have an abiding interest in fostering this growth.

It is for this reason that we are joining with other industrial nations to add funds to the IMF. These funds are critical to helping debt-plagued developing countries make painful, but unavoidable adjustments in their economies and thereby resume healthy growth rates. We have a direct stake in their success.

For this reason also we resist—and call on all Americans to resist—pleas for further protectionism. Putting up barriers to imports will only result in losing markets for our exports and paying higher prices for goods. Resorting to protectionism as an antidote to recession is like turning to alcohol to ward off the cold. It may feel good at first, but it shortly becomes corrosive. The tonic for our ills is noninflationary growth—not stiff draughts of old Smoot-Hawley.

Beyond the demands of economics, the Third World is fundamental to our aspirations for security and peace.

Since 1950, most of the major threats to international stability, and the chief opportunities for expansion of the Soviet Union's political reach, have come in the Third World. The headlines have rung with now familiar names: Korea in 1950, Dien Bien Phu in 1954, Suez in 1956, Cuba in 1962, and more recently Iran, Angola, Afghanistan, Kampuchea, El Salvador, and Ethiopia.

A study by the Brookings Institution has identified no fewer than 185 incidents since the end of World War II when U.S. military forces were sent to developing countries to meet situations which threatened our political or economic interests.[2] As we speak today, 1,200 marines are on duty in Lebanon helping again to patch the torn fabric of peace.

The point is clear. The fault line of global instability runs strongly across the continents of the Third World.

This instability is inimical to our security in many ways. Small incidents can flare into larger conflagrations and potentially into confrontations between the superpowers. Korea and Cuba teach this lesson well.

More subtly, the Soviet Union and its allies are able to feed on political instability like viruses on a host. Some of the most significant uses by the Soviets of military power since World War II have been in the developing world. The Soviet deployment of a deepwater navy, an airlift capacity, and mobile ground forces have given them the ability to intervene when they perceive opportunities.

In addition, the Soviet Union supports 870,000 troops in North Korea—60 percent more than maintained by South Korea. It bankrolls the Vietnamese army which has positioned 180,000 troops directly on the border of Thailand. It supports 55,000 Cuban troops in Angola, Ethiopia, and Mozambique. The Soviet

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[2] Reference is probably to Barry M. Blechman and Stephen S. Kaplan, *Force Without War: U.S. Armed Forces As a Political Instrument* (Washington, 1978), pp. 547–553.

Union is the largest purveyor of arms to the Third World. In 1981, they supplied about three times as many tanks, aircraft, and artillery pieces as did the United States.

We cannot ignore these realities as they challenge our national interests.

Strategically, some of the least secure Third World countries are sources of critical raw materials or lie astride sea lanes which carry our military forces and world commerce. The premier example is the Persian Gulf. About 32 percent of the free world's oil supplies is pumped there. The region is vital to the economic and political security of Europe, Japan, and the United States. It is in our interest to build stability in this region, and thereby help assure access to those supplies.

As a parenthetical remark, I want to mention my belief that the recent decline in oil prices—and the possibility of further declines—will spur the free world's economic recovery. For some countries—such as Venezuela and Mexico—cheaper oil admittedly means tougher times. But it will be good for most of us. I have seen one illustrative estimate that a decline in oil prices to $20 per barrel would boost real growth rates in the industrial countries by up to 1 1/2 percent. A less steep decline would have proportionately positive effects.

What would be harmful over the long-term is if oil prices resume the yo-yo gyrations we've experienced in the last decade. For this reason, the United States has an interest in helping oil importing developing countries, such as the Philippines and Thailand, improve their energy development programs and further reduce worldwide dependence on OPEC.

The job of building our security also requires that we maintain military facilities and strengthen indigenous defense forces around the world. This includes U.S. bases in the Philippines, and in Turkey, the Azores, Morocco, and other strategically placed countries.

The United States cannot defend its interests by operating out of the United States and Europe alone. We need the cooperation of countries in the Third World to grant transit, refueling, and base rights. Otherwise, while we may wish to build up a rapid deployment force, we will be unable to deploy it without Third World friends who will allow us to use their facilities. We must be prepared, in turn, to help these key countries achieve their aspirations for security and economic growth. This is not just a short-term proposition. The process of mutual cooperation weaves ties of interdependence and friendship which will redound to our benefit in years to come.

It goes without saying that the least desirable method for preserving our strategic interests and ensuring stability in the developing countries is by sending in U.S. forces. The 185 incidents which I mentioned earlier represent—in essence—*185 failures to resolve problems by more measured means.* If we are to reduce incidents in the future, we need a significant program—sustained over time—to secure peace and economic well-being in regions vital to our security.

In fact, we have such a program. It is called the U.S. Security and Development Cooperation Program. Although our administration has clarified its goals and sharpened its focus, it is essentially the same program endorsed by every U.S. President since Harry Truman. It's frequently called foreign aid and all too often depicted as a giveaway. But that is a misnomer. The program's purpose is to create those conditions of growth, security and freedom in developing countries which serve the fundamental interests of each U.S. citizen.

Let me give some examples of how it works.

Our highest priority in this program is bringing peace to the Middle East. Because of the ties between the United States and Israel, a crisis in this region has always placed us in the center of a potentially serious world confrontation. This has been so for more than 25 years. Achieving a lasting peace in the Middle East will not only benefit each and every citizen in those lands, but will ease one of the fundamental threats to world peace and our own security.

Making peace there means more than holding talks—as vital at these are. Sustained economic growth is needed in Israel, Egypt, and Jordan. Lebanon needs to open roads, restore electrical service, restart its economic engines, and resume its place as a stable and friendly nation in that part of the world. These countries also need to be able to defend themselves against those they see as aggressors. In

this circumstance, we and other nations provide both economic and military aid. This aid is indispensable to the peace process.

Another program—with particular bearing here in the South—is the President's Caribbean Basin Initiative. Some of you have dealt directly with the consequences of poverty, political turmoil, and Soviet/Cuban interventionism near our shores. These have come in human form—off airplanes and out of boats to present in person their claims for a better deal. For the South, the need to help the Caribbean and Central American nations grow economically and build democratic insitutions is not an abstract issue. It is one which can directly affect your economy and society.

Another part of our program is helping curb the rampant population growth which underlies much of the Third World's poverty and threatens our planet's resource base. The arithmetic is inexorable. Before World War II there were more than 2 billion people in the world. Now there are 4.3 billion. Even though growth rates have slowed in recent years, 17 years from now—in the year 2000—there will be 6 billion. If we act effectively, the world population may stabilize at between 12 and 16 billion in the last half of the next century. That's 12–16 billion people to feed, clothe, and provide jobs for.

To bring it closer to home, Mexico currently has 62 million people. If they are able to lower their birth rate to the two child per family level in the first twenty years of the next century, they will have "only" about 250 million people when their population stops growing.

Faced with these numbers, the United States provides direct technical advice and training to 27 countries to assist them mount voluntary family planning programs. It's been an effective effort. We have a deep interest in continuing it.

Similarly, we provide funds for U.S. agricultural universities to help developing countries grow more food. Although there are food surpluses now, population increase, plus growth in the world economy, means that food production in the developing countries must keep growing at 3–4 percent per year or we may all face shortages and rising prices again by the end of the decade.

So with U.S. funds, Mississippi State is introducing improved seed in Thailand. The University of Florida is increasing crop production in Ecuador. Auburn is working in Jamaica and Indonesia on fish production. It is in all our interests that these universities, and others across our agricultural heartland, continue with our support to devote some of their considerable talents to building secure food supplies in the world.

Let me give one more example—this time on the security side. A glance at the map indicates the importance of Turkey to our strategic interests. It sits like a wedge between the Soviet Union, the Middle East, and the western flank of the Persian oil fields. With Iran and Iraq in turmoil, the importance of an economically and militarily strong Turkey has increased. In the last few years, the Russians have increased the size of their forces stationed north of Turkey.

Hence, we and other countries of Europe, led by the Germans, are helping the Turks spur their economy and replace obsolete tanks and other equipment in their armed forces. The cost to us of assisting Turkey maintain strong defense forces between Russia and the Middle East is less than one-sixth of the cost of maintaining U.S. soldiers overseas for the same purpose.

These are examples of how an investment of our resources contributes to the well-being and security of each of us in this room. The cost is modest. For the coming fiscal year, the examples I've given will cost each U.S. citizen the following in tax dollars:

For building peace in the Middle East	$12.35 per person
For the Caribbean Basin	$ 3.84 per person
For curbing population growth	$ .92 per person
For building secure food supplies	$ 3.15 per person
For helping Turkey	$ 1.77 per person

The total cost in tax dollars for all our security and economic assistance programs in the developing countries is $43.91 per person. By contrast we Ameri-

cans spend $104 per person a year for TV and radio sets, $35 per person per year for barbershops and beauty parlors, $97 per person per year for soap and cleaning supplies, and $21 per person per year for flowers and potted plants.

I'm not belittling any of these e: ● ıses. They're part of our commerce which provides us with jobs as producers and satisfactions as consumers. I am trying to establish some relative values.

Every American must understand that it's neccessary to spend a fraction of our collective resources to secure our most precious goals of freedom, economic well-being, and peace. An esteemed son of Georgia and predecessor of mine, Dean Rusk, said it succinctly: "Freedom is not free."

Let me close by opening my lens back up and reverting to the fourth of the tenets which guide our conduct of foreign affairs: namely, our conviction that progress is possible.

We Americans have lived for over 40 years in a tumultuous world in which we have pursued four basic goals:

—First, building world peace and deterring war—above all, nuclear war which would threaten human existence.

—Second, containing the influence of nations which are fundamentally opposed to our values and interests—notably the Soviet Union and its allies.

—Third, fostering a growing world economy, and protecting U.S. access to free markets and critical resources.

—And fourth, encouraging other nations to adopt principles of self-determination, economic freedom, and the rule of law which are the foundation stones of American society.

In these endeavors, we have had some signal successes. Some formerly troubled countries of the world—for instance the countries of East Asia—are now relatively strong and prosperous. West Europe, a cockpit of warring nationalities for a century, has been at peace for 37 years. Progress has been made in fundamental areas affecting the mass of mankind: better health, longer life expectancy, more schooling, increased income. We have a chance in the coming year to make major strides in fashioning peace in the Middle East.

Americans as a people are pragmatists—suspicious of grand assurances or easy promises. But I'm convinced that if we persevere—proceeding realistically, backed by strength, fully willing to negotiate and search for agreement—we will achieve successes in the future.

Document 73

Address by the Under Secretary of State for Economic Affairs (Wallis) Before a Session Sponsored by the International Development Conference, May 18, 1983 [3]

U.S. International Development Policy

I am honored to have this opportunity to address you. Clearly, the focus of this conference—World Development In Perspective: What Can America Do?—is significant and, judging from the size of this evening's group, generates considerable interest. It is also particularly timely, since the Williamsburg economic summit and the UNCTAD VI conference [4] are fast approaching.

Many people respond to the question, what can America do about world development, by talking only of the tangible things we do, especially emphasizing foreign aid. It is easy to make that mistake if one sees development only in terms of money. Others make the mistake of relating it only to compassion and believe that aid will cause deserts to bloom, industries to spring up, commerce to flourish, and well-being to rise miraculously. Still others see the only path to rapid development in collectivism, through which they can impose social, religious, or national goals, regardless of the cost in individual liberty and cultural traditions.

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[3] Source: *Current Policy* No. 485, May 18, 1983, Bureau of Public Affairs, Department of State. The conference was held in Washington.

[4] Reference is to the Sixth U.N. Conference on Trade and Development, held in Belgrade, June 6–July 3, 1983.

The real essence of development is different from all of these things. The foundation of development lies in the meaning, aspirations, and worth of each individual. Its realization is in human fulfillment, in the opportunity for all men and women to realize freely their full potential—to make the most of their God-given talents. President Reagan put it this way in his October 1981 speech to the Philadelphia World Affairs Council:

"We Americans can speak from experience on this subject. When the original settlers arrived here, they faced a wilderness where poverty was their daily lot, danger and starvation their close companions. But through all the dangers, disappointments, and setbacks, they kept their faith. They never stopped believing that with the freedom to try and try again, they could make tomorrow a better day. . . .

"Free people build free markets that ignite dynamite development for everyone; and that's the key, but that's not all. Something else helped us create these unparalleled opportunities for growth and personal fulfillment. A strong sense of cooperation; free association among individuals, rooted in institutions of family, church, school, press, and voluntary groups of every kind. Government too played an important role. It helped eradicate slavery and other forms of discrimination. It opened up the frontier through actions like the Homestead Act and rural electrification. And it helped provide a sense of security for those who, through no fault of their own, could not support themselves." [5]

What President Reagan was saying was that government properly does those things that open up opportunities for individuals and that allow natural incentives to operate in freedom. That is quite different from a government that tries to compel and command people to fit into a preconceived mold, keeping them in submission and dependence. It is no accident that those countries that have allowed free play for personal initiative and economic rewards for success now produce more than one-half of the world's product. Furthermore, those developing countries in the Third World that have recently been growing the fastest are precisely those that have increased the economic freedom of their people.

Thus the most important contribution that the United States can make to world development is to carry to the governments and peoples of the less developed countries (LDCs) the message of our experience—to explain to them its lessons. The sooner they turn their backs on the false claims and real failures of socialism, the sooner they reject the philosophy of compulsion, coercion, and command, the sooner will they open the way to accelerated, meaningful development. This message is the foundation of a program that helps other countries help themselves.

In ensuring development, possessing resources for growth is not enough. The resources must be effectively used. Unfortunately, there are far too many cases in which countries have squandered precious resources in questionable investments or in subsidizing consumption. In other cases, the most precious resource of all—human initiative—has not been given the freedom to make the kinds of economic decisions which can lead to dynamic and prosperous economic growth. The most critical contribution these countries can make to their development lies in pursuing appropriate domestic economic policies. This, I may add, is equally true for the United States.

Accordingly, U.S. policy to stimulate economic growth in the developing world must encourage countries to adopt market-oriented policies. We focus attention on the role of the private sector—domestic as well as foreign—for mobilizing and effectively utilizing resources for development. Fortunately, there appears to be increased recognition in both developed and developing nations of the role of appropriate economic policies. We are continuing to encourage movement in this direction—directly through bilateral discussions and indirectly through the international financial institutions.

Building on these basic principles, there are tangible steps the United States is taking, and can enlarge upon, to facilitate world development. No country has a better record than our own for positive measures—public and private—that contribute to the strength of the world economy and to growth in the less developed countries.

[5] For text, see *American Foreign Policy: Current Documents, 1981*, pp. 63–69.

In discussing positive U.S. measures to promote development in the Third World, I begin from a basic premise: In addressing the economic difficulties and prospects of the developing world, restoring sustained noninflationary economic growth in the United States is the single most significant contribution we can make. The reason for that can be seen from a few statistics.

In 1981 the United States purchased more than $120 billion in goods and services from developing countries. To be sure, a significant amount of this is accounted for by petroleum products. Nevertheless, U.S. purchases amounted to nearly 20 percent of all the exports of those LDCs that do not export oil and to 35 percent of all their exports to developed nations. The growth in U.S. imports of manufactured goods from the developing countries has been impressive. During the 1970s, these imports grew at an average rate of 27 percent per year; in other words, they doubled every 32 months, on the average. The United States now absorbs over half of all the manufactured exports that non-oil LDCs sell to the Organization for Economic Cooperation and Development (OECD) countries, even though the U.S. market is only one-third of the total OECD market. That means that we take 50 percent more than our proportionate share. When you consider the billions of dollars of imports from the developing world by the United States alone, not to mention the imports from the other developed countries, direct aid pales by comparison.

In the long run, it is only through trade that the developing world will be able to earn the external resources it needs for its development. In view of the magnitudes we are dealing with, and of the U.S. role as the developing world's largest customer, we have a responsibility to the rest of the world, as well as to ourselves, to ensure that there is sustained real economic growth in the United States. Correspondingly, as the world's largest trading nation, we must make every effort to ensure that the global trading system is open so that the developing world and the developed world will benefit from, and contribute to, each other's growth.

Fortunately, the United States appears to be well on the road to sustained noninflationary growth. For the past two decades, our government has overspent, overtaxed, and overregulated. Our growth rate declined. Inflation began to creep, then to run, and then to gallop. Interest rates rose to almost unprecedented heights. The bold measures of the Reagan Administration have now turned the tide. For a while it appeared to some doubting Thomases that Ronald Reagan would prove to be another King Canute. But, as the President says, he knows that his policies are turning the tide because the press no longer refers to his policies as "Reaganomics."

The short-term costs of turning the tide were high, but now inflation and interest rates are down, the leading economic indicators are up, and investor and consumer confidence are returning. The United States is doing its part in ensuring a long-term global economic recovery. Furthermore, despite the economic difficulties of the past few years and the pressure for protectionist trade measures, the United States remains an essentially open market.

The United States is unique in being the world's largest free trade area and one of the most open to world markets; a number of other countries have discovered the same ingredient of success. Like the United States, these countries—advanced developing countries and newly industrialized countries—also contribute through trade to the growth of the LDCs. Their recent growth has been the fastest in the world, and their growing imports are a spur to growth in the other countries they trade with.

Closely related to trade in terms of long-term U.S. impact on development is private investment. In addition to providing additional financial resources to developing countries, foreign investment promotes long-term growth by providing technology, management know-how, and access to international markets. Here, too, the United States has an excellent record. In the 1970's, U.S. investment in developing countries accounted for more than half of total investment by OECD countries in these nations. In the latter half of the past decade, U.S. direct private investment in the developing countries grew at approximately 20 percent per year. In 1981, reflecting the general economic climate, the rate of growth of U.S. investment abroad dropped but still continued at around 5 percent. By the end of 1981, U.S. direct investment in developing countries had reached the impressive level of $56 billion.

Up to now I have discussed the developing countries as if they were all alike. Clearly, however, these countries differ greatly among themselves. Any effective and realistic policy must differentiate among countries and tailor development strategies to the needs and potentials of individual countries and regions. While classification is always somewhat arbitrary, we have frequently found it useful in Washington to recognize several groups of developing countries.

The first group consists of the oil-exporting countries, which have capital surpluses. To achieve their ambitious plans for development, these countries need prosperity in the industrial economies so they can sell their oil and invest their surpluses there.

Then there are the so-called newly industrialized countries. These nations, through their own efforts and a favorable economic climate, which has permitted great increases in exports and substantial inflows of capital, have achieved dramatic growth.

Next there is a larger growth of countries, sometimes referred to as middle-income developing countries, which have achieved some progress but still have widespread poverty. These countries, which in most cases are dependent on exports of one or two commodities, have suffered as the global recession has reduced their exports in both quantity and price. More than renewed growth in the industrial countries is required, however, if these countries are to prosper. Significant adjustments in their economies also are needed.

The fourth group contains the very poorest developing countries. These suffer widespread poverty and play only a minor role in the global economy. They lack the basic infrastructure to compete effectively in world markets so cannot attract investment and financing. If self-sustaining growth is to be achieved within a reasonable time, they need charity. Frequently, their economic and governmental policies are so bad that charity, or "aid," is simply futile. In our assistance to these countries, we concentrate in three areas where over the years the United States has developed special competence, namely, food and agriculture, energy, and health and education. We try to use our aid in ways which encourage economic reforms, which in turn attract private investments.

Of course, I would mislead you if I let it seem that aid to the poorest developing countries is the most important help we can give them. On the contrary, in their case as in others, trade is more important than aid, because trade helps them to help themselves. We have a special program by which their goods come to the U.S. market duty-free, called the generalized system of preferences (GSP). Although the amount of trade affected by this program is small in terms of the U.S. market, it is a large and important spur to development in those countries that export to us with its stimulus.

Even these groupings of countries are partly misleading, however, because they mask the individuality and uniqueness of each country. We base our specific programs on careful study and consultation with the government and people of each country itself. We listen, we learn, we identify problems, and we work out solutions jointly with them.

A few comments on direct aid are in order. Despite the economic upturn that is under way in the United States and some other countries, the outlook for substantial increases in direct aid is not bright. It is unlikely that the decade of the 1980s will see increases in foreign aid comparable to those of the 1970s. Calls by some developing nations for massive gifts are completely unrealistic. Budgetary conditions in the United States and in other major donor nations simply preclude it.

This makes it all the more important that we focus our limited funds on those countries where it will do the most good. How much good our aid does depends not so much on how badly the recipients need it as on how well they use it. Aid, to be effective, must open the way to expand trade and attract investment. It cannot do that in the face of unsound governmental policies that do not support free markets, protect private property, and maintain a rule of law and political stability.

This means that the *relative* role of concessional aid is diminishing. In fact, this aid is increasing, but trade and borrowing in private markets are increasing much faster. These latter two contributions to development deserve the emphasis that I gave them, but I would be negligent if I failed to mention the way that direct aid fits into the picture. In line with what I have just been saying, the United States works closely with host govern-

ments on economic policy problems important to development. We encourage sound agricultural policies on pricing, credit, and freedom of enterprise.

Furthermore, about half of our development aid goes to food and agriculture. Besides encouraging more private initiative, we contribute to the fundamental research and to the development of new applied technology, in the role that government is most qualified to fill. A major part of our aid also goes to public health and population control programs. By concentrating our aid in recent years on the activities in which government makes a unique contribution, we have made its *effectiveness* grow rapidly even though its amount grew relatively slowly.

The United States has also concentrated its aid increasingly where it is most needed—in the least developed countries, as I noted earlier. Our contributions to multilateral development banks in Asia, Latin America, and Africa are permitting growth rates of lending of 14%–15% per year. The United States continues to be the largest provider of official development aid, and over two-thirds of our aid goes to the poorest countries.

No discussion of Third World Development can ignore the serious debt problems which a number of developing nations now face. During the past decade, borrowing in private capital markets became an increasingly important source of financing for many developing countries, particularly the middle- and upper-income ones. As the borrowing climate changed and the world slipped into a prolonged recession, a number of nations came face-to-face with serious debt problems.

Several steps must be taken if these debt problems are to be resolved in a durable way.

—Sound economic policies must be pursued in the debtor countries. These should include sound debt monitoring and management. The World Bank and the International Monetary Fund (IMF) provide valuable assistance in this. It is, obviously, important that neither developed nor developing nations impose new barriers to trade.

—Financial resources must continue to be provided by the international community to support the adjustment of borrowing countries to sound policies. Here the IMF plays a major role. The increases in IMF quotas that are now being considered by Congress are essential.

—The governments and central banks of lending countries must be prepared to provide short-term, transitional financing to fill the gap until IMF programs are in place.

—Commercial banks and export credit agencies must continue a flow of finance to debtor countries that are undertaking sound, IMF-supported adjustment programs.

—Sustained noninflationary economic growth must take place in developing nations.

Now I would like to outline for you what the United States hopes to accomplish with regard to development at the May 28–30 economic summit in Williamsburg and during the June UNCTAD VI conference in Belgrade.

First, we hope that the summit will confirm that the West's major economies are working effectively toward a restoration of sustainable noninflationary growth. We hope also that the participating countries will commit themselves to a rollback of restrictions on trade which they have introduced in response to the difficult world economic situation. If these developments occur, it will be a major step toward achieving a healthier world economy. In turn, the developing countries will have an opportunity in Belgrade to take similar actions that will restore confidence in global recovery.

Second, we expect that Williamsburg will heighten awareness of the interrelations among trade, finance, and development. The specific relations I refer to are four:

—Between an open international trading system and sustainable noninflationary economic growth;

—Between open international markets and solution of the debt problems of developing countries and, specifically, the link between their ability to export and their ability to service debt;

—Between short-term financing needed to maintain essential imports, and the economic adjustments they must make, in many developing countries; and

—Between growth in developed countries and growth in developing countries.

As for UNCTAD VI, the United States, drawing on the discussions at the Williamsburg summit, will emphasize the linkages I have mentioned earlier and draw the attention of the developing world to the fact that effective North-South economic relations hinge on mutual responsibilities and benefits in sustaining and improving an open international trading and financial system. We will focus attention also on the indispensable role of free markets in mobilizing energies and resources and more generally on the importance of sound economic policies. [6]

The United States views UNCTAD as a significant major forum for discussions of development issues. We do not, however, generally regard UNCTAD as a suitable forum for negotiating in detail specific development measures. In our view, negotiations of measures to ameliorate current economic difficulties or strengthen the existing trade or financial system are more properly handled within the specialized independent international agencies designed to address these issues—for example the IMF, the General Agreement on Tariffs and Trade (GATT), and the World Bank.

Our discussions with less developed countries and with others at UNCTAD can make significant progress toward the solutions of real problems if there is genuine dialogue and a willingness to listen to each others' points of view. Therefore, in our preliminary discussions with other governments in preparation for UNCTAD, we are working hard to assure that the conference will take place in a cooperative atmosphere rather than one of needless polarization, which would sacrifice the opportunity for agreement. We emphasize that progress lies through recognition of the principle of mutual benefit through general growth, and that developmental discussions will achieve the most when they have a practical orientation aimed toward finding and correcting the real obstacles to development, case-by-case, or toward discovering unexploited opportunities. Cooperative efforts can then remove those obstacles or open up those opportunities. It is also important to recognize that, as a general rule, the international specialized agencies, such as the IMF and the World Bank, can make important contributions in their areas of expertise.

In summary, the most important single source of growth and development is the talents of individuals, allowed to develop fully and freely by free institutions. Government provides the framework—the protection of law and the assurance of opportunity—within which individuals can reach their full potential and contribute to national development. This framework permits trade to flourish, both domestic and international. When many countries have open, free economies, they reinforce each other while sharing the benefits of growth and development. Thus, open economies with free-flowing trade and private investment, both in developed and developing countries, provide the one sure route to rapid development of the less developed countries. Because of the difficult adjustments now necessary in the developing world, because of the heavy debts and the hangover from the binge of inflation in the past decade, open economies and free-flowing private investment are especially important to recovery and to the resumption of rapid development. Direct aid between countries also will play an important, though secondary, role.

The most important thing is to keep our economies free—both developed and less developed—and to support and maintain the sound international institutions that play a supporting role during this period of adjustment. Keeping to this sound course will permit the recovery now firmly under way to have the maximum effect on the welfare of our people and of people in the developing world.

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[6] For text of Deputy Secretary of State Kenneth Dam's address before the Conference, June 13, 1983, which emphasized these and other themes, see Department of State *Bulletin*, August 1983, pp. 23–27.

Document 74

Statement by the Administrator of the Agency for International Development (McPherson) Before the House Foreign Affairs Committee, July 26, 1983 [7]

U.S. Foreign Assistance and World Hunger

It is good to be before this committee once more.

The central focus and really the driving mission of AID is to deal with world hunger, and so I look forward to testifying here today.

That central focus is true in a narrow sense, in that over 50 percent of the development assistance budget goes for food production, and of course we supervise or manage the Public Law 480 program [8] in the field. But it is also true in a broader sense, in that most of what we do at AID is focused on trying to help poor people earn more income. And earning more income is really the key to having people have more food.

Let me talk a moment about the status of hunger in the world.

The definition of what is hunger, what is malnutrition, as you know, is an issue in tremendous dispute among professionals. But I think we do know that the percentage of people in the world today who are hungry is less than it was 10 years ago. However, the number, the actual number of hungry people, is greater today than it was 10 years ago. That is of course because of the population increase.

It [*I*] alluded to the causes of hunger a moment ago, but let me spend a few more moments on this.

I think there have been several references here this morning to the fact that enough food is produced in the world, but that the hungry people simply don't have access to the food. I think it is important to underline that in many cases it is not the logistics of distribution per se, but rather, it is the lack of income in the hands of those people which results in hunger.

The international charity system is, in fact, better organized and more efficient than it was 10 or 15 years ago. The communication network of the world, of course, is much better; so we know more quickly where the problems are and how to respond to them.

It is obvious, though, that the poor and the hungry of the world don't want to live on, or be dependent for their existence on international charity. What we need to do once more to help the poor is to help them figure more how to earn more income. We need more self-help efforts.

To take an example, the landless people in most poor countries are the most desperately poor and most hungry. It is unlikely in most countries that they are going to get land. Farmland in many countries is already broken up into very small lots. The landless, therefore, need either to find work on small farms in the areas that are prosperous enough to hire them, or they need to find jobs in urban areas. What is needed, in fact, is the creation of opportunities so the landless can earn an income.

In the last few years, and the last couple of years particularly, AID has done an enormous amount of thinking and working to put into place projects on how to have poor people increase their incomes.

I might say, Mr. Chairman, that the bread for the world legislation passed last year, in directing AID to think through what it was doing in terms of helping poor and hungry people, has been helpful in our focusing on this problem and working through it.

How do we create economic growth? How do we create opportunities for poor people to make more money?

It seems to me that we have learned a great deal in the 30 or so years that the U.S. Government has been in this business. I think we know that the key ingredients are, one, trained people, people who can do things; two, institutions in which those trained people can work in; three, technology of which the people in institu-

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[7] Source: *The World Food Situation: Hearings Before the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 35–39. Committee Chairman, Clement J. Zablocki presided over the session. The text of McPherson's prepared statement is printed *ibid.*, pp. 40–51.

[8] See footnote 15 to document 55.

tions can make use; and lastly, a policy context—policies of the government of the country which will encourage economic growth.

When those aspects are in place, by and large the resources for economic growth are available. I won't say always, but by and large they are there. Trained people, institutions, technology, and a proper policy context will almost always create an economic growth situation.

There are some fabulous examples of success that really need to be focused on.

I would say one of the most historically dramatic is India. In the mid-1950's all of us periodically heard about the terrible droughts and massive starvation in various parts of India. It was the basket case, or almost so, of the day. Then India produced about 50 million tons of grain a year. Last year they produced 152 million tons of grain, and that was even though they had substantial droughts in parts of the country.

This dramatic change, this tremendous increase in production, really needs to be analyzed closely.

Problems remain. In particular, these are problems of income distribution among the population. But the facts are that most Indians, certainly a vast majority are better off today because of their country's great increase in food production.

Why did it happen? What took place?

Well, we Americans can be proud that we contributed quite a lot to this. We helped, for example, create the miracle rice and miracle wheat that helped in this production increase. This is the technology that the Indians needed.

We helped build with the Indians an extensive system of education and agricultural extension. We helped put together an irrigation system which is still being expanded. The irrigation system, incidentally, helped stabilize production even when there was drought.

The Indians, of course, had a good strong program to put this together. The key, in my judgment, was when the Indians substantially raised the price of wheat so the farmers had an incentive to increase production.

There are other examples, such as Korea, Indonesia, Taiwan, Thailand, Sri Lanka, the Philippines, Colombia, Costa Rica, and Tunisia—where much has also been done.

Around the world there has been substantial progress, particularly in Asia, the Near East, and Latin America.

The situation in Africa, however, is really very bad. In fact, it has deteriorated. The average person in sub-Saharan Africa has fewer calories today than 5, 10 years ago. And indeed that trend appears to be continuing. Per capita food production in sub-Saharan Africa, in fact, has declined almost every year for the last 10 years. Now the population has increased, which is an important part of all this. But it is not totally a population problem.

The facts are that the donor community and the Africans simply have not done it right. That may be too sweeping. But a lot of what the donor community did in the 1970's was a resource transfer program. They thought of Africa as Asia, or Latin America. The facts are that Africa did not in 1970 and still does not have the trained people in place. They don't have the institutions, the extension systems, the businesses, the production entities or the physical infrastructure. They don't have, very importantly, the policy context.

The facts are that in country after country in Africa, the governments discriminate against their poorest people. There is no other way to say it. They discriminate in this way: The poorest people are almost always the farmers, but city people are the ones who riot and turn over governments. So what do African governments do? They give the city people cheap food.

And how do they finance the cheap food? They are too poor to finance it the way the Europeans might. The way they do it is to hold down the prices paid to farmers for food they produce. In many countries they hold it to half of world market prices. In effect, they tax the farmer, often their poorest population, half his production.

Now, farmers all over the world are pretty smart people. They understand when they cannot make money by producing more. They also understand the uselessness of buying fertilizer to improve their yields when they do not get a return sufficient to cover the costs for what they already produce.

So, what you find in Africa is a situation where production on a per capita basis has gone down and continues to go down.

What have we been trying to do about this? The pattern is clear. It is not just AID that has been saying this. The World Bank, in the Berg report,[9] laid this out vividly. Dr. Berg, by the way, is the key economist these days on the Carlucci commission[10] helping us to think through our whole foreign assistance program.

What are we doing?

We are saying that resource transfers won't do. We are looking at research. Sorghum and millet, for example, are the key crops of the Sahel. They are the poor people's crop. But because they are not commercial crops in the sense that wheat and rice are, there has been almost no research on producing higher variety yields of sorghum and millet. When I was on BIFAD a few years ago, we began a sorghum and millet research project. Since I have been Administrator, we have substantially continued and increased the funding for that whole research effort. We are putting a lot more into creation of technology that is applicable in Africa.

We are looking at building local capabilities. We have increased the number of people that we are training in Africa very substantially. What I am talking about applies to other areas of the world, but it is particularly applicable here. We found in the Sahel, for example, that we simply don't have the local people who can administer the programs we have been funding. We have to do much, much more in training than we are doing.

We are building institutions, creating extension systems, and improving education systems.

And we are working hard at the whole policy context. We are saying to countries: Look, don't ask us for fertilizer when you keep your food prices below farmer's costs. No amount of fertilizer will do any good unless you provide your farmers the incentives to produce. Raise your prices, then we will talk fertilizer. We find among the governments with which we work more and more acceptance of these ideas.

Public Law 480 is an important tool in our policy dialog. I would like to congratulate this committee for the Gilman-Solarz effort and the committee's leadership in getting this important piece of legislation that really strengthened our hand with governments around the world, in getting self-help measures tied into Public Law 480 programs.[11] This committee, Mr. Chairman, has been key to very important Public Law 480 changes.

Let me talk a little bit about Ethiopia. Obviously it is a matter of major concern to members of this committee and to me. But before I talk about that particular country and the situation there, I would like to state this administration's policy concerning emergency food needs.

Our position is that we are going to respond without regard to political considerations. The hungry child knows no politics. We think we have done that. I grant this program has, and this policy has, achieved a special focus in recent times, as we have been faced with the situation in Ethiopia. But several months ago I authorized, worked and got through the interagency committee that makes the decisions, $9.2 million for Mozambique, a country we have not had close relation-

[9] Reference is to the World Bank, *Accelerated Development in Sub-Saharan Africa: An Agenda for Action* (Washington, 1981). The report was prepared by the World Bank's African Strategy Review Group, consisting of Elliot Berg (coordinator), K.Y. Amoako, Rolf Güsten, Jacob Meerman, and Gene Tidrick, with the assistance of many Bank staff members.

[10] The Commission on Foreign Security and Economic Assistance, chaired by former Deputy Secretary of Defense Frank C. Carlucci, was formed in February 1983 to review the goals and activities of the U.S. foreign assistance program. The 24 active members of the Commission, including Cochairmen Lane Kirkland, President of the AFL-CIO; Larry Silberman, former U.S. Ambassador to Yugoslavia; and Clifton Wharton, Chancellor of the State University of New York, completed their 57-page study entitled "A Report to the Secretary of State" in November 1983. The archives of the Commission, consisting of Commission papers, correspondence, meeting transcripts and summaries, are available in the Special Collections Division, Georgetown University Library.

[11] Reference is to Title XII, Subtitle B of the Agriculture and Food Act of 1981 (P.L. 97-98), enacted December 22, 1981. Among other things, the legislation amends Section 109 of the Agricultural Trade Development and Assistance Act of 1954 (P.L. 480) to provide that U.S. aid recipients shall undertake specific self-help measures designed to benefit the needy people in that country. For text of Subtitle B, see 95 Stat. 1281.

ships with. And we did that because of the drought situation in that country.

Recently, really in some part because of Secretary Shultz's interest, there was a prompt and early set-aside of some $25 million for the drought situation in Southern Africa. In that drought area are countries like Angola in addition to Mozambique. We think that we need to respond to where the hungry people are. We think we need to be sure we can get the food there. There are often problems when we don't have good relations with a country; often the problems are more severe for our purposes of getting the food to the hungry people.

My point again, though, is that the hungry child knows no politics. We feel that we need to uphold the age-old American tradition of responding to emergency needs.

As to Ethiopia itself, so far in 1983 we have provided $8.5 million for drought relief and food assistance. $4 million has been targeted for emergency relief, of which $1.5 million has gone through an international organization. Now that figure, I might point out, Mr. Chairman, does not include any of the money provided to refugees, for example, in the Sudan, outside the borders of Ethiopia. Reports indicate I might say, that many refugees have been going to Sudan to get food—political concerns no doubt were part of that, but there has been a lot of feeding of Ethiopians outside of Ethiopia.

Very recently and after careful study, I made the decision to proceed with transportation moneys, particularly in relationship to the distribution of our food. We have been discussing this matter with Catholic Relief Services, and, in fact, the person working out how this might be done will be back from Ethiopia in New York today. And we expect within days, perhaps today, to complete the discussion as to how this is to be done.

UNDRO had asked the world, but particularly the Europeans, for transportation moneys. UNDRO, incidentally, is not an operational organization. There has been some confusion, I think, about that. UNDRO through its world-wide appeals seems to coordinate the information flow to and from donors and expects moneys to be directed through other organizations. Funds do not normally go to UNDRO emergency efforts directly.

The U.S. contribution of $700,000 will be an important part of an effort to rent vehicles in Ethiopia. We believe that such vehicles are fairly widely available. It is cheaper to rent. It avoids the problem of diversion of relief vehicles for military purposes. And we are convinced that this will help a great deal.

Now, we know that there is no need for more food in Ethiopia at the moment. There is a backup in at least one port. Food is not the problem today. We are going to have to continue to watch the situation. No doubt in the months ahead additional food will be needed. As in this case, we are going to be prepared to respond as that need evolves.

The problem today is to get that food, that emergency food, distributed.

I might say also that out of that $700,000 will come $50,000 to $100,000—we are working out just how much—for seed. There clearly is a need for seeds to be available for the next planting, inasmuch as many seeds have been eaten and are obviously not available.

One other aspect of our Ethiopian program deserves comment. About a year ago, almost a year ago, we had made the decision not to advance a number for the ongoing feeding program in Ethiopia, and to informally communicate that we thought the Ethiopians could and should do much more for themselves in light of the question about the military buildup.

It has been my position now for several weeks, that we needed to review that situation. Well, the facts are that the drought is vast and that it is affecting virtually every aspect of life in Ethiopia. And so we are now going to continue with that feeding program of approximately $3 million in commodities and $2 million in transport costs in 1984.

I think, Mr. Chairman, that that addresses the Ethiopian situation. Overall, AID is providing $8.5 million in drought relief and food aid, some $700,000 in transportation and some seeds, and now for 1984, a $5 million ongoing and emergency feeding program.

We of course would expect that in the months ahead there is going to be more food needs which we will respond to.

Mr. Chairman, in short, we have responded to all those requests which have come to us.

Thank you very much.

Document 75

Statement by the Secretary of Agriculture (Block) Before the House Agriculture Committee, October 25, 1983 [12]

U.S. Efforts To Increase the World Food Supply

Thank you very much, Mr. Chairman.

Gentlemen, I am pleased to have a chance to address the committee. Along with me, I have from the State Department, Mr. Streeb on my left, and on my right, Mr. Brady and Mr. Gladson from AID. After we complete all of our statements, I think we may be, with your permission, sir, inclined to share the responsibility of providing answers for the committee.

I want to talk about, first of all, the extent of world hunger. In recent months, a severe drought in Africa has brought the issue of world hunger to the front pages of our newspapers; it has led us to reexamine the scope of the problem of hunger and its causes.

Estimates of the number of undernourished people in the world vary widely, but the Food and Agriculture Organization puts the figure at nearly 500 million.

The toll that hunger and malnutrition take in the developing world is great. One child in four dies before the age of 5, most as a result of malnutrition. Each year, 100,000 children go blind from the lack of vitamin A.

Over 82 million people are born a year, and more than 9 out of 10 are in the developing world. The heart of world food problems lies in keeping up with this population growth. By the year 2000, we must build world food output by 50 to 60 percent to feed over 6 billion people.

So far, we have kept up—we have kept up at least statistically. The average consumption of calories per person has in fact gone up since 1960. In most developing nations, the average amount of food produced per person has grown steadily since the 1950's, even though the developing world's population has almost doubled.

Yearly growth in food output by developing nations has averaged 3 percent since the 1950's. That is better than the record for most developed countries.

The overall trend in world food output is favorable. The crux of the problem is that improvements have not been uniform. We have seen some progress in Latin America and East Asia, but in recent years, per capita food production in Africa has actually dropped. Part of the long-term difficulty there stems from rapid population growth that has eroded gains in food output.

The African food crisis today is aggravated by widespread drought. Much farmland in Africa is marginal at best; there is relatively little irrigation.

Africa now has a serious emergency. Farmers in 23 countries with 225 million people face adverse conditions for production. About 9 million people face serious nutritional threats, and starvation is occurring in some regions.

This past summer, the Food and Agriculture Organization called on the developed countries to provide 600,000 tons of food aid and $60 million in assistance to these African nations. The United States has already allocated $25 million in emergency food aid under Title II of Public Law 480. [13] Roughly $12 to $13 million was used in fiscal year 1983. The remaining funds are earmarked for fiscal year 1984.

Since June the food situation has worsened. We now estimate that the 23 countries affected by drought will have fiscal year 1984 food aid needs of some 3.3 mil-

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[12] Source: *Review of the World Hunger Problem: Hearing Before the Committee on Agriculture, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1984), pp. 6–9. Committee Chairman E. (Kika) de la Garza presided over the hearing.

[13] Title II of P.L. 480 authorizes the President to use U.S. agricultural commodities as emergency aid to combat famine and malnutrition abroad. For text of Title II as amended, see 7 U.S.C. 1721 *et seq.*

lion tons in 1983–84, even after projected commercial purchases of a record 10.7 million tons. Responding to these needs will require a very heavy commitment of planned Public Law 480 reserves to the region.

The fiscal year 1984 Title I/III [14] plan already allocates $132.5 million in commodities for sub-Saharan Africa. We are constantly reviewing the situation so we can respond quickly to emergency requests.

The United States has focused on three areas in working to overcome hunger and the poverty that causes it in the developing world: one, food aid; two, helping developing nations to improve their economies; and, three, promoting sound world agricultural policies.

In regard to the first one, food aid, we have shown our concern for hungry people in the developing world by increasing our assistance. USDA works with AID to donate Government-owned dairy commodities to the needy abroad. Donations to 14 countries have already topped 83,000 tons. Last year the administration raised the pledge to the world food program by 14 percent, to $250 million, a new record.

We also continue to be the largest contributor to international organizations that work to overcome hunger, such as FAO, UNICEF, and the international development banks.

Our food-for-peace program has passed the $40 billion mark, and we continue to give more food aid than all other nations combined.

The administration has strongly supported an increase of $8.4 billion in the U.S. contribution to the International Monetary Fund to help developing nations maintain economic stability. At USDA, we have greatly accelerated the use of our own credit programs. CCC export credit guarantees and the blended credit programs were used to finance $5 billion in agricultural exports in 1983. That is one and one-half times the amount financed under CCC in 1982.

A strong U.S. commitment to food aid is essential, but it will not end hunger and malnutrition in the developing world. For one thing, problems with storage, transportation, and distribution make it hard to get food aid to those most in need. They also make it difficult for developing nations to conserve their supplies. In Africa, post-harvest losses can run as high as 60 percent. We must prevent food aid from undermining agricultural development in recipient countries and fostering dependence instead of self-reliance. Real food security and a decline in hunger rest in helping developing nations grow more food and store or distribute it better. Helping their agricultural economies will also allow them to earn enough to import more food.

It is U.S. policy to be unselfish in sharing agricultural technology with the developing world. USDA has worked with AID, FAO, and others to send over 800 technicians a year to 76 countries to carry out assistance projects. They include efforts to cut malnutrition in children in Latin America, overcome vitamin A deficiency in Indonesia, and improve development management in the Sahel.

In the research area, we work with other nations on 240 cooperative projects to curb crop losses and build food output. Last year we sent 271 scientists overseas on 124 exchanges aimed at solving world agricultural problems.

Still another way we share U.S. agricultural skill is international training. Altogether, USDA has arranged or given training to over 70,000 foreign agriculturists at the rate of over 2,000 a year. In all these efforts, USDA works closely with AID, the lead agency in development.

Now I would like to turn to agricultural policy and world hunger. In June, Mr. Chairman, I attended the World Food Council Ministerial in New York, [15] and in 2 weeks I will have the privilege of being chairman of the FAO Conference in

[14] Title I of P.L. 480 authorizes the President to arrange for the sale of agricultural commodities to friendly governments in exchange for local currencies. Title III authorizes him to permit certain needy countries to use local currencies generated by P.L. 480 sales to develop their food production and distribution capabilities as part of a Food for Development Program. For the texts of Titles I and III, as amended, see 7 U.S.C. 1701 *et seq.* and 1727 *et seq.*

[15] For text of Block's address before the World Food Council at its ministerial meeting in New York, June 27, 1983, see *The World Food Situation*, pp. 245–251.

Rome.[16] Both the World Food Council and the FAO devote a great deal of time and effort to the discussion of world hunger and efforts to overcome it. Much of the discussion focuses on agricultural policy.

I have always felt that realistic agricultural policies, national and international, can go a long way toward solving world food problems. I raised certain policy issues with the ministers at the World Food Council meeting in New York. I will raise them again in Rome. They are: (1) national reserves; (2) incentives for farmers; (3) comparative advantage; and, (4) trade as a development tool.

With regard to national reserves, our 4-million-ton reserve of wheat and the farmers' reserves insure that the United States will keep honoring its food aid and commercial commitments. But all major nations must share the burden of maintaining world food reserves.

We have offered technical help to developing nations so they can also set up reserves.

Concerning incentives for farmers, there is no point in training, research, and technical assistance unless farmers have the incentive to produce. I have told agriculture ministers from other countries that the best food security lies in having farmers who want to produce because they can make a profit.

Developing nations need policies that make farming profitable for their agriculture, or their agriculture will never flourish. In the long run, world food security lies in having countries produce what they produce well. By that I mean what they produce economically, using their comparative advantage.

When countries cannot grow some foods economically, they should buy them. I made that point often at the World Food Council meeting. I am not in a position on my Illinois farm to grow bananas or coconuts, but I can grow corn. Agricultural development must take into account the realities of comparative advantage.

People tend to forget how much trade can help development. Freer agricultural trade could spur economic growth throughout the developing world. If the level of protectionism in agricultural trade were cut in half, developing nations could raise their exchange earnings by $8.5 billion a year. That would be a tremendous boost for their economies. Even now, these nations earn 17 times more through trade than they receive through aid. That is a very significant figure—17 times more through trade than through aid. Some development programs, like the Caribbean Basin Initiative, emphasize trade.

There are those who feel that helping agriculture in developing nations hurts U.S. producers. It is just the opposite. Developing countries are the market of the future. They already buy one-half of our industrial exports and, in fiscal year 1982, they bought $14 billion worth of U.S. farm products. Those sales helped our trade balance and created hundreds of thousands of jobs. By helping these nations build their economies, we are making sure they can be even stronger customers in the years ahead.

In conclusion, Mr. Chairman, we can see that food aid, trade, and development are all closely related. To overcome hunger and malnutrition, we have to work in all three areas.

We also know that the problem of world hunger is a lot more complex than we thought 10 or 20 years ago. We still have a lot to learn about the best ways to attack it. But I assure you, we are dedicated to finding a solution.

I would be glad to answer your questions.

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[16] For text of Block's address to the 22d Conference of the Food and Agriculture Organization, Rome, November 8, 1983, see U.S. Department of Agriculture, *Speeches and Major Press Releases, Nov. 4–Nov. 11, 1983*, pp. 3–8. In addition to being chairman, Block headed the U.S. delegation to the Conference, which remained in session from November 5 to November 24, 1983.

F. International Economic Summit Conferences

Document 76

Transcript of a Press Briefing by the Secretary of State (Shultz), May 20, 1983 (Extract) [1]

U.S. Objectives at Williamsburg

Q. What do you expect to accomplish at Williamsburg and how?

SECRETARY SHULTZ: I think, there are many important things to get to happen in the world, and which by and large will happen if the right policies are followed by individual countries. And I hope that Williamsburg can make a contribution to that.

Of course, the main thing is economic growth in the world economy. That's the name of the game in my opinion. Well, that depends on the United States in considerable part, Germany, Japan, United Kingdom, others, developing countries. So from the standpoint of the U.S. economy, I think you could only describe our fiscal and monetary policy right now as very expansionary, very strongly pushing that.

So, I think we're doing what we should be doing. Other countries we'll learn about as we go, but I think Japan and Germany are looking pretty good right now, and perhaps the same for the United Kingdom.

I think that it's impressive when you look at where growth has come in the last 8 or 10 years in the world, to see how much has been contributed by the so-called Third World or developing countries. And we need to rearrange our thinking in this country and perhaps elsewhere away from the notion that somehow those are poor economies and we should help them. I'm not saying that they aren't poor and that they shouldn't be helped, but rather, we have to get our thinking geared more to the notion that they are economies that have a big capacity for growth, and when they grow that is fundamentally good for us, and so we have a stake in them and there are certain things that follow from that, I think, in terms of our own policies, and we need to be willing to step up to those things and encourage our friends at the Summit to do likewise.

I think the issue of trade and protectionism is very important, and it's extremely serious. It's important because if there is expansion in these different economies, it's the fact of trade among them that allows a kind of mutually stimulative effect to take place, so that everything can go forward together around in the world economy.

I say it is a very serious problem only in part because of particular moves individual countries are making in the protectionist field. I think that's the least of the problem at the moment. And, in fact, in the case of Japan, things have gotten better, not worse. In the case of some other countries, including ourselves, I think we've made some courageous decisions. But we've had a little slippage here and there. I think the big threat is, in a sense, an intellectual one.

There is an effort now under way emerging since the effort to make protection—make it legitimate and fashionable even, to talk about running a protectionist economy, that somehow it's our duty. And I think it is linked to a considerable extent, in this country, anyway, to so-called industrial policy. And that looms as a big sort of intellectual debate. But I put great store on the question of what is, in a sense, legitimate. And once an idea like the value of open trading to us takes hold and people accept that as right, well, it has big consequences. Because when moves away from it are made they get criticized and that upholds a standard to which you repair all the time. If the standard is disturbed and some other standard is created, you don't have it to repair to, and you will I think, degenerate badly.

So I think it's very important and worthwhile, not empty at all, that in forums like this the affirmation of the importance of open trade is made. The reason why I thought the OECD ministerial meeting was quite positive, because there was a

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[1] Source: Department of State Press Release 190, May 24, 1983. The press briefing was held at the White House.

distinct shift in tone there from the GATT ministerial on this critical issue that involves, in a sense, the intellectual standing of the idea of open trade.

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Document 77

Statement by Robert D. Hormats Before the Joint Economic Committee, May 24, 1983 [2]

The Benefits and Risks of Economic Summit Conferences

Thank you, Mr. Vice Chairman. I appreciate the opportunity to testify before this committee again on a familiar subject that we've covered several times before on earlier summits and I'd like to start out by sharing with this committee some thoughts on what summits can reasonably be expected to do and to reasonably be expected not to do—the benefits and risks of summits—to put them in perspective. We've had eight summits now and I think we have learned something from each of them.

What summits have been able to contribute over the last several years fall into several categories. First, summits have demonstrated their ability to espouse broad principles such as avoidance of protectionist measures. While these have not been foolproof, I think they have at least helped to avoid mutually destructive actions by governments, not entirely but to a degree.

Second, they've been able to develop certain objectives which governments have worked toward with a sense of mutual purpose; that is, such institutions as the World Bank and increasing support for the GATT trade negotiations in the Tokyo round. [3]

The third area is that they have been able, under certain circumstances, to reach agreement on specific targets which can be monitored; for instance, the targets to reduce energy imports which were useful devices during the midst of the energy crisis in the latter part of the 1970's.

Fourth, they've been able to agree on studies which have shed more light on world issues and have helped leaders to resolve these issues subsequently with a greater degree of information and with less politicization of the problem.

Two examples that I would mention are the international nuclear fuel cycle evaluation—which was helpful in resolving an important conflict between the United States and Europe several years ago, and the Versailles study on exchange rates has shed additional light on that difficult and still very sensitive issue.

Summits also enable leaders to learn better one another's objectives, motivations, and interests, which is useful in helping individual leaders to plot their own priorities. They also enable leaders to develop their priorities within their own countries and collectively. That is to say, frequently leaders before summits get recommendations from virtually every agency of government, and leaders, when they get to the summit, have to determine what their priorities are, what the national priorities are among all these competing domestic priorities, and develop a certain sense of mutual or common priorities so that they can achieve certain agreed results at the summits.

Summits also make it more difficult for leaders to take actions which do violence to, or which are negative in terms of, the international economy, knowing that they have every year to go back to the summit and to account to a degree to their peers for the actions they've taken. Now this is clearly not a foolproof process but it does create a certain additional consideration that leaders have to take into account when they shape policy.

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[2] Source: *Williamsburg Economic Summit: Hearing Before the Joint Economic Committee, Congress of the United States, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 24–27. Vice Chairman of the Joint Economic Committee, Lee H. Hamilton, presided over the hearing in the absence of the chairman, Senator Roger W. Jepsen. Hormats, a Vice President at Goldman, Sachs, & Co., served as Assistant Secretary of State for Economic and Business Affairs from May 21, 1981, to August 25, 1982.

[3] See footnote 31 to document 60.

There are, however, a number of risks, and we've seen those risks manifested rather clearly in the Versailles summit. The major risk, it seems to me, is that leaders attempt to use the summits to achieve too much. That is to say, they attempt to try to reconcile differences which are so deep or so deeply embedded in the political philosophies and national policies of various participants that raising them and pushing them very hard simply leads to friction. Another element of that is that, when they can't reach an agreement on substance, there tends to be an attempt to try to reach agreement on words in the communiqué. That leads to the sort of blowoff that we had after Versailles.

The leaders going into this summit have recognized these two problems. There is a genuine attempt, and I believe a very constructive attempt, to downplay still major differences on East–West issues. There is also, in my judgment, a very healthy attempt to downplay the communiqué which is to say not focus so much on words and focus more on substance.

There is, however, a risk in all this. The risk is that in attempting to bend over backward to prevent an excessively ambitious approach or trying to resolve differences that can't be resolved, leaders will make the other mistake of trying to do too little. And my concern about the lack of focus of the preparations of the summit and what I expect will be, from what all I hear, the relatively unfocused discussion could lead to, first of all, ambiguity in terms of results. That is to say, leaders come out of the summit thinking that different things were agreed to or each having his own or her own individual interpretation of what was agreed to; and second, a missed opportunity to forge agreements and to articulate those agreements in such a way that there can be followup by ministers and officials in a mutually supportive way.

And my worry about Williamsburg is that, in an attempt to avoid the mistakes of Versailles—an appropriate attempt to avoid the mistakes of Versailles—it will simply not provide the leadership, not provide the sense of purpose, the sense of direction which I believe people are looking for at that summit.

I won't go over all the points of substance because previous speakers have discussed those. I must say I find myself very much in agreement with the sorts of priorities that Bill Miller outlined for the summit.[4] In particular the question of the U.S. deficit is going to be on everyone's mind because it does have an effect on interest rates, on the rate of growth in the American economy, on the pressures in this country for protectionism. Many of those pressures stem from an overvalued dollar which has reduced the competitiveness of a lot of American industry and agriculture. Much depends on what happens to the U.S. budget deficit, but that's not the only thing.

One can't simply say—and I think that Bill has indicated that as well—that that's the only issue. There are a lot of others, and he pointed them out very well.

It strikes me that we are caught today in what one might call a triangle of international economic instability. You have three sides to the triangle. One, slow growth and high unemployment; the second side is debt-related constraints on growth in the Third World; and the third side is pressure on the trading system. And it strikes me that if Williamsburg has a historic purpose, it is to try to develop a strategy for dealing with these interrelated problems.

Now there are no miracles. There are no panaceas, and Williamsburg is certainly not going to be a panacea, but it can help by developing a strategy to avoid the sort of defensive ad hoc approach which has been taken on a number of these issues so far.

It seems to me that first they can agree on a set of mutually reinforceable economic measures. Included among those is an attempt by the United States to reduce its deficit, which would help other countries to in turn relax their own monetary policy. And it strikes me that even if you take a lot of these measures, even if the measures are modest, they further will broaden and I think strengthen the recovery.

Second, the summit is going to have to address the problem of unemployment because even if there is a recovery, unemployment is still going to be a major problem in the industrialized democracies.

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[4] G. William Miller, former Chairman of the Federal Reserve Board and Secretary of the Treasury, testified before the Joint Economic Committee earlier in the day. His statement is printed on pp. 2–5 of the hearing.

Much of it is structural. A lot of it in the United States is youth unemployment, but there is also a growing number of people in their middle years, 40 to 55, who find themselves displaced by technological change and by reduction in capacity in traditional industries. The summit, again, is not going to come up with miracles, but it must, in my judgment, focus on that issue and try to establish a process, which I've discussed in greater detail in my written testimony, to deal with this issue.

Debt problems I think must be addressed, as Bill indicated, and it strikes me that several things need to be done. One, to press for prompt implementation and ratification of IMF quotas that were agreed to and an increase in the GAB, support for increased structural assistance, including a speedup of World Bank lending to help countries to adjust.

Also needed are longer term and lower cost rescheduling agreements so that countries can have adequate breathing space to help strengthen their economies, and sustained commercial bank lending.

I also think that summit leaders themselves should make an attempt to strengthen public understanding of the need to increase development assistance, particularly assistance to the poorer countries.

I would simply make one general statement. That is, prolonged austerity in developing countries is not the same as prolonged austerity in the developed countries. My worry is that if this situation continues, the difficult straits these countries find themselves in today are going to lead to increased social pressure and political pressures on them which may weaken the very government in the stabilization plans.

With respect to the medium term, it strikes me the summit should welcome the decision of a couple of weeks ago, to expand the Group of Ten [5] and to use it for closer and more systematic consultation among trade and finance officials to avoid trade impediments which worsen the financial situation.

I think the Group of Ten could also be given a mandate to look at exchange rate instability and misalinements which distort trade and investment. I discuss this more in my prepared statement [6] so I won't go into it now in detail.

I also think that they should use this summit as an attempt to establish an additional momentum—or shall we say regain the momentum—toward improving the trading system. That is to say, avoiding new barriers and new subsidies and making a genuine attempt to take the initiative to reduce those which currently exist and to get the rules of the trading system improved.

These are the general points I wanted to cover in summary and I'd be glad to answer any questions.

Document 78

Joint Statement by the Summit Participants, Read by the Secretary of State (Shultz), Williamsburg, May 29, 1983 [7]

A Shared Commitment on Security Issues

Last night, over dinner, the Heads of State discussed security issues and judged them to be of such importance as to want to make a statement on the subject at this conference. And so a statement was developed and I will read it.

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[5] Reference is to the decision of the Group of Ten at their January 18, 1983, meeting in Paris to increase their credit commitments from SDR 6.4 billion to SDR 17 billion ($7.1 billion to $19 billion) and to invite Switzerland to become a full scale participant in the General Arrangements to Borrow (GAB). These and other changes were ratified on December 26, 1983, after all ten participants had notified the International Monetary Fund of their concurrence in writing.

[6] For text of Hormats' prepared statement, see *Williamsburg Economic Summit*, pp. 28–47.

[7] Source: Department of State Press Release 203, June 9, 1983; printed also in Department of State *Bulletin*, July 1983, pp. 4–5. Participants at the Williamsburg Economic Summit Conference, May 28–30, 1983, were President Reagan, Prime Minister Pierre Elliott Trudeau of Canada, President François Mitterrand of France, Chancellor Helmut Kohl of the Federal Republic of Germany, Prime Minister Amintore Fanfani of Italy, Prime Minister Yasuhiro Nakasone of Japan, Prime Minister Margaret Thatcher of the United Kingdom, and President Gaston Thorn of the European Communities Commission.

"As leaders of our seven countries, it is our first duty to defend the freedom and justice on which our democracies are based. To this end, we shall maintain sufficient military strength to deter any attack, to counter any threat, and to ensure the peace. Our arms will never be used except in response to aggression.

"We wish to achieve lower levels of arms through serious arms control negotiations. With this statement, we reaffirm our dedication to the search for peace and meaningful arms reductions. We are ready to work with the Soviet Union to this purpose and call upon the Soviet Union to work with us.

"Effective arms control agreements must be based on the principle of equality and must be verifiable. Proposals have been put forward from the Western side to achieve positive results in various international negotiations—on strategic weapons, the START talks; on intermediate-range nuclear missiles, the INF talks; on chemical weapons, on reduction of forces in Central Europe, the MBFR talks; and a conference on disarmament in Europe.

"We believe that we must continue to pursue these negotiations with impetus and urgency. In the area of INF in particular, we call upon the Soviet Union to contribute constructively to the success of the negotiations. Attempts to divide the West by proposing inclusion of the deterrent forces of third countries such as those of France and the United Kingdom will fail. Consideration of these systems has no place in the INF negotiations.

"Our nations express the strong wish that a balanced INF agreement be reached shortly. Should this occur, the negotiations will determine the level of deployment. It is well known that should this not occur, the countries concerned will proceed with the planned deployment of the U.S. systems in Europe beginning at the end of 1983.

"Our nations are united in efforts for arms reductions and will continue to carry out thorough and intensive consultations. The security of our countries is indivisible and must be approached on a global basis. Attempts to avoid serious negotiation by seeking to influence public opinion in our countries will fail.

"We commit ourselves to devote our full political resources to reducing the threat of a war. We have a vision of a world in which the shadow of war has been lifted from all mankind, and we are determined to pursue that vision."

Most of the time today in the meetings of the Heads of State was spent in discussion of economic issues, and there will be a joint statement available tomorrow at the conclusion of the conference. In the meantime, I can make a brief comment about the nature of some of the discussion.

Confidence was expressed in a spirit of realistic optimism that recovery is getting under way. Evidence of the recovery is clear. There was also discussion of the many problems that beset us—unemployment, high interest rates, high budget deficits in some countries—all of these things are matters of concern as is the protectionist pressure that we see in many countries.

The discussion in some ways can be summed up by noting the links that were talked about: The link between sustained domestic growth and the open trading system, the link between convergence of domestic policies toward noninflationary sustainable growth and greater exchange rate stability, the link between open markets and the availability of finance, the link between international economic cooperation and world progress, and the link between the developed and the developing countries and the importance of expansion in our economic activity and trade between the developed and the developing countries. Thank you.

Document 79

Joint Statement by the Summit Participants, Read by President Reagan, Williamsburg, May 30, 1983 [8]

Williamsburg Declaration on Economic Recovery

It is my duty and pleasure to read the Williamsburg Declaration on Economic Recovery.

"Our nations are united in their dedication to democracy, individual freedom, creativity, moral purpose, human dignity and personal and cultural development. It is to preserve, sustain and extend these shared values that our prosperity is important.

"The recession has put our societies through a severe test; but they have proven resilient. Significant success has been achieved in reducing inflation and interest rates. There have been improvements in productivity and we now clearly can see signs of recovery.

"Nevertheless, the industrialized democracies continue to face the challenge of ensuring that the recovery materializes and endures in order to reverse a decade of cumulative inflation and reduce unemployment.

"We must all focus on achieving and maintaining low inflation and reducing interest rates from their present too high levels. We renew our commitment to reduce structural budget deficits, in particular by limiting the growth of expenditures. We recognize that we must act together and that we must pursue a balanced set of policies that take into account and exploit relationships between growth, trade and finance in order that recovery may spread to all countries, developed and developing alike.

"In pursuance of these objectives, we have agreed as follows: One, our governments will pursue appropriate monetary and budgetary policies that will be conducive to low inflation, reduced interest rates, higher productive investment and greater employment opportunities, particularly for the young.

"Two, the consultation process initiated at Versailles will be enhanced to promote convergence of economic performance in our economies and greater stability of exchange rates on the lines indicated in an Annex to this Declaration.

"We agree to pursue closer consultations on policies effecting exchange markets and on market conditions. While retaining our freedom to operate independently, we are willing to undertake coordinated intervention in exchange markets while retaining our freedom to operate independently. We are willing to undertake coordinated intervention in exchange markets in instances where it is agreed that such intervention would be helpful. "[Three], we commit ourselves to halt protectionism and, as recovery proceeds, to reverse it by dismantling trade barriers. We intend to consult within appropriate existing fora on ways to implement and monitor this commitment. We shall give impetus—missed me—(laughter)—to resolving current trade problems. We will actively pursue the current work programs in the General Agreement on Tariffs and Trade, which is known as GATT, an organization for economic cooperation and development, including trade in services and in high technology products.

"We should work to achieve further trade liberalization negotiations in the GATT with particular emphasis on expanding trade with and among developing countries. We have agreed to continue consultations on proposals for a new negotiating round in the GATT.

"Four, we view with concern the international financial situation and especially the debt burdens of many developing nations. We agreed to a strategy based on effective adjustment and development policies by debtor nations, adequate private and official financing, more open markets, and worldwide economic recovery. We will seek ratification of the increases in resources for the International Monetary Fund and the General Arrangements to Borrow. We encourage closer cooperation and timely sharing of information among

[8] Source: White House Press Release, May 30, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, June 6, 1983, pp. 807–809. President Reagan read the statement at 3 p.m.

countries and the international institutions in particular, between the International Monetary Fund (IMF), the International Bank for Reconstruction and Development, known as IBRD, and the GATT.

"Five, we have invited Ministers of Finance in consultation with the Managing Director of the IMF to define the conditions for improving the international monetary system, and to consider the part which might, in due course, be played in this process by a high-level, international monetary conference.

"Six, the weight of the recession has fallen very heavily on developing countries. And we are deeply concerned about their recovery. Restoring sound economic growth while keeping our markets open is crucial. Special attention will be given to the flow of resources, in particular, official development assistance to poorer countries and for food and energy production, both bilaterally and through appropriate international institutions. We reaffirm our commitments to provide agreed funding levels for the International Development Agency. We welcome the openness to dialogue, which the developing countries evinced at the recent Conference of the Nonaligned Movement in New Delhi and the Group of 77 in Buenos Aires. And we share their commitment to engage with understanding and cooperation in the forthcoming meeting of the United Nations Conference on Trade and Development in Belgrade.

"Seven, we are agreed upon the need to encourage both the development of advanced technology and the public acceptance of its role in promoting growth, employment, and trade. We have noted with approval the report of the Working Group on Technology, Growth, and Employment which was set up at Versailles last year, and commend the progress made in the 18 cooperative projects discussed in that report. We will follow the implementation and coordination of work on these projects and look forward to receiving a further report at our next meeting.

"Eight, we all share the view that more predictability and less volatility in oil prices would be helpful to world economic prospects. We agreed that the fall in oil prices in no way diminishes the importance and urgency of efforts to conserve energy, to develop economic alternative energy sources, to maintain and, where possible, improve contacts between oil-exporting and importing countries and to encourage the growth of indigenous energy production in developing countries which at present lack it.

"[Nine,] East-West economic relations should be compatible with our security interests. We take note with approval of the work of the multilateral organizations which have in recent months analyzed and drawn conclusions regarding the key aspects of East-West economic relations. We encourage continuing work by these organizations as appropriate.

"Ten, we have agreed to strengthen cooperation in protection of the environment in better use of natural resources and in health research. Our discussions here at Williamsburg give us new confidence in the prospects for a recovery. We have strengthened our resolve to deal cooperatively with continuing problems so as to promote a sound and sustainable recovery, bringing new jobs and a better life for the people of our own countries and of the world.

"We have agreed to meet again next year and have accepted the British Prime Minister's invitation to meet in the United Kingdom."

It has been inspiring to meet with the leaders of the seven major industrial nations in this beautifully restored village of the past. Here we have tried to shape the positive and common approach to our economic future. These democracies feel special responses for—or responsible for the world economy and for the democratic values we all share.

And, so, we came together determined to do something about some of the world's toughest problems. Our meeting has shown a spirit of confidence, optimism and certainty—confidence that recovery is underway, optimism that it will be durable and certainty that economic policy and security ties among us will be strengthened in the future.

The United States has been privileged to host this meeting from which a message of hope can be sent to the people of the world and to future generations. Together the summit partners are facing today's

enormous challenges head on and not settling for quick fixes. We are the guardians of fundamental democratic values, the values that have always united us.

We will only be satisfied when we have restored durable economic growth that offers our people an opportunity for the better future that they deserve.

The meeting will conclude with tonight's dinner and may I just add a heartfelt thank you to the wonderful people of Williamsburg who have been so warm in their greeting to us, so gracious and so kind, and that have made this, in addition to a hard-working session, a distinct pleasure. And I think I speak for all of us in saying this. Thank you all. (Applause)

Document 80

Annex to the Williamsburg Declaration on Economic Recovery [9]

Strengthening Economic Cooperation for Growth and Stability

I. We have examined in the light of our experience the procedures outlined in the undertakings agreed at Versailles last year which seek to ensure greater monetary stability in the interest of balanced growth and progress of the world economy.

II. We reaffirm the objectives of achieving non-inflationary growth of income and employment, and promoting exchange market stability through policies designed to bring about greater convergence of economic performance in this direction.

III. We are reinforcing our multilateral cooperation with the International Monetary Fund in its surveillance activities, according to the procedures agreed at Versailles, through the following approach:

A. We are focusing on near-term policy actions leading to convergence of economic conditions in the medium term. The overall medium-term perspective remains essential, both to ensure that short-term policy innovations do not lead to divergence and to reassure business and financial markets.

B. In accordance with the agreement reached at Versailles, we are focusing our attention on issues in the monetary and financial fields including interaction with policies in other areas. We shall take fully into account the international implications of our own policy decisions. Policies and objectives that will be kept under review include:

(1) Monetary Policy. Disciplined non-inflationary growth of monetary aggregates, and appropriate interest rates, to avoid subsequent resurgence of inflation and rebound in interest rates, thus allowing room for sustainable growth.

(2) Fiscal Policy. We will aim, preferably through discipline over government expenditures, to reduce structural budget deficits and bear in mind the consequences of fiscal policy for interest rates and growth.

(3) Exchange Rate Policy. We will improve consultations, policy convergence and international cooperation to help stabilize exchange markets, bearing in mind our conclusions on the Exchange Market Intervention Study.

(4) Policies Toward Productivity and Employment. While relying on market signals as a guide to efficient economic decisions, we will take measures to improve training and mobility of our labor forces, with particular concern for the problems of youth unemployment, and promote continued structural adjustment, especially by:

—Enhancing flexibility and openness of economies and financial markets.

—Encouraging research and development as well as profitability and productive investment.

—Continued efforts in each country, and improved international cooperation, where appropriate, on structural adjustment measures (e.g., regional, sectoral, energy policies).

IV. We shall continue to assess together regularly in this framework the progress we are making, consider any corrective

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[9] Source: White House Press Release, May 30, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, June 6, 1983, pp. 808–809. The Annex was released at the same time as the Williamsburg Declaration.

action which may be necessary from time-to-time, and react promptly to significant changes.

Document 81

Transcript of a Press Briefing by the Secretary of State (Shultz), Williamsburg, May 30, 1983 (Extract) [10]

The Impact of the Williamsburg Security Statement on U.S.-Soviet Arms Negotiations

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Q. Mr. Secretary, Tass has answered the statement that was issued yesterday saying that this whole conference obliterates detente in full. Do you have a response to their response?

Q. Question.

SECRETARY SHULTZ. I was informed that Tass had a statement today—I hadn't seen it—saying that the statement issued yesterday "obliterates detente in full." I'm quoting you. I don't know whether—I assume I'm quoting Tass. Trust you. (Laughter)

Well, this is just a piece of information that you've given me and I haven't had a chance to really look at it and see what else they may have said or anything of that kind.

But I would say that in the statement [11] there is strength, there is purposefulness, there is unity, there is a sense of cohesion. And there also is expressed in several places in the statement a complete willingness to sit down and try to negotiate outstanding problems with the Soviet Union.

Now, we don't consider it a negotiation if they say the way, for instance, in INF is for them to have a monopoly of intermediate-range missiles. That doesn't look like a sensible outcome for us. So we say that. But that's only being reasonable and strong and sensible.

Q. To follow up. Where do you think—What is the state of détente in your opinion right now?

SECRETARY SHULTZ. Well, it's a word that has a great many meanings. I would say that the United States and the Alliance is strong, the United States and the Alliance is realistic about what is taking place around the world in many dimensions, the Western relationship with the Soviet Union and the United States. And the Alliance has expressed on many occasions a readiness to sit down and talk about outstanding problems in a spirit of trying to solve them. So I don't know what you call that. I'd call it a pretty sensible stance for us, frankly.

Q. Mr. Secretary, the President has said again that he thinks the Russians won't negotiate on TNF until they're convinced that we are going to move forward in absolute agreement with the placement of missiles. And so he said that we are going to move forward.

My question really is what's your hunch? Do you think the Russians at some point before next December will become convinced that we're serious and serious to negotiate or will it take an actual installation of cruise and even Pershing missiles to convince them?

SECRETARY SHULTZ: Well, the thing that we and our Allies have control over is what we do and what stance we have. So what the statement basically says is that—I hate to keep repeating myself—that we're strong and we're determined and absent an agreement, there'll be deployment. And if there is an agreement at some level other than zero, then the—whatever the agreement says will determine the level of deployment. I don't know that I'm quoting it exactly accurately; but that's the basic notion.

Now, that's what we have. And we can say this is going to be our pattern of behavior and put that forward and also say we're ready to negotiate.

Now, the question of whether there is an agreement or not will depend on how they react to the situation and that remains to be seen.

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[10] Source: White House Press Release, May 30, 1983, Office of the Press Secretary to the President; printed also in Department of State *Bulletin*, July 1983, pp. 15–17. The Secretary of State conducted the briefing at 3:34 p.m.

[11] See document 78.

Q. And you haven't an inkling as to whether they're going to become convinced before December or have to actually see those missiles go in place?

SECRETARY SHULTZ: Well, you always—in any negotiation, you scratch your head and you look at your opposite side and you speculate about their situation. And, of course, we do that. And I think it only stands to reason that if they think they can get their objective without giving up anything themselves, well, they'll be delighted. But they should be convinced by now that they can't do that because there is a determined alliance here.

Now, how far along toward deployment dates we have to get or whether we have to actually deploy, I don't know what it takes to convince them of that fact. But by this time, I should think they'd be convinced because there's a very determined attitude.

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Document 82

Transcript of an Interview With President Reagan, Williamsburg, May 31, 1983 (Extract) [12]

The Nature of the Summit Discussions

Q. Mr. President, you had said before this summit that you wanted it structured in this way because you'd have a frank discussion with other leaders.

THE PRESIDENT. Yes.

Q. Did you learn anything from that? Did your views change in any way because of what was said to you here in that format?

THE PRESIDENT. Well, actually, not in any major way because you would be amazed at how much our thinking was alike on so many of the things discussed.

But in connection with the question also on structure, the difference was that I've been—the summits that I've been to before, each head of state would make a statement and that would be it then. Whether they agreed, disagreed or not, they had made their statement.

The difference was here, you'd open up a subject—let us say that the subject had to do with trade, we'd open up the subject and everyone could express their views and so forth and then we kept going and discussing to see what we could all agree on as a consensus of what we would do with this in—in the area of this subject—that would further benefit, not only us, but the world.

Q. Do you feel that you persuaded anybody to some view that they didn't have before they came here?

THE PRESIDENT. Not really. The whole idea of convergence—that—the answer is that you can't have one nation recover without the others, that this is a world recession, that what we do effects each other and that, therefore, we must have more surveillance, more constant communication, particularly at our ministerial level, on the progress that we're all making. And this included the developing countries also, that they cannot be out here on the other side of a door that their good economic situation, their prosperity is vital to us as ours is to them. And as I say, there was great agreement on this. But what then did happen was you had the thoughts of others that contributed to come into a consensus as to how we were going to go about this, what we were going to do. And remember that the idea of the subjects wasn't just chaos of anyone coming with what they thought. A lot of this was based on the fact that at the ministerial level, OECD, and the NATO Summit, in the discussions on the international monetary funds and all, we were well prepared in advance of knowing what was on the minds of each other.

Q. Mr. President, if I may, this was a summit designed so that those of you who met privately could, on several occasions, could have a frank exchange, candid exchange of views—candid, personal. And yet you're saying that there were diverse

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[12] Source: White House Press Release, May 31, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, June 6, 1983, pp. 809–813. The President conducted the interview at 11:47 a.m. with reporters from the *Washington Post*, Knight-Ridder Newspapers, *Chicago Sun-Times*, Media General Cable News Network, *Le Monde*, *Il Giornale*, and *Frankfurter Allgemeine Zeitung*.

views in here. And yet you're saying in spite of all of that, nobody's views changed very much—

THE PRESIDENT. In that—as I interpreted the question there, was there any sudden situation where you had just diametrically opposed ideas as say a way to bring about prosperity. No, everyone recognized that—for example in our own problems of deficits and interest rates and the bad effect that they have had on the economy. There was general agreement on all of these things. And then the thing was how, for example—it's in that statement that came out, differing than some conferences where the statement was written in advance and before you'd had the discussions. That statement was the result of the discussions.

Q. Let me give you a for instance. You said in your personal addendum to the statement that the world now recognizes there should be no quick fixes which as you mentioned—

THE PRESIDENT. Yes.

Q. —in the United States. But I know you were told by some of the leaders in there that despite—the best expected performance of the economy, unemployment is going to remain high for some time to come, recession may even deepen in some countries, and there are people who are concerned about the political and social upheaval that this can cause and, therefore, might favor some kind of quick fix, at least to avert the kind of crisis the United States faces. Did that discussion not temper your views about at least some quick fixes—

THE PRESIDENT. No, as a matter of fact, one of the participants referred to quick fixes as "quack medicine" and that we've proven by experience they don't work. They only worsen the situation. So—and there is great willingness on the part of all of them, that they realized that they had to face up to some social changes in order to get control of excessive spending. And, as I say, the document attests that—the statement to the outcome. We didn't leave any subject up in the air and say, well, you know, we're differing on this. Let's move on to something else. No. We stayed until we'd worked out what we all felt was a way to go on the particular subject. And there was no vote taken. There were no winners or losers. There wasn't any case in which five said, well—to two, you're out-voted and this is what we're going to say. No. Before we settled on it, all seven were in agreement.

Q. Mr. President, your administration wasn't—it's well known that your administration wasn't enthusiastic about an international conference—monetary conference. Did you modify your views during the summit?

THE PRESIDENT. The funny thing was in the conversations, it isn't so much a modifying of views as it is a learning of what the views really were. For example, the principal proponent of such a conference opened by making it plain that he had not meant in any way that we go back 40 years and follow a pattern of something that was adopted 40 years ago—the world has changed—but that it was something to be looked at. Well, we ourselves had come with the idea that just as out of the Versailles summit—and while many people have been quick to say that nothing good came out of that, a lot did. We have had since the Versailles summit a relationship at the ministerial level on several subjects that has been ongoing and that has made great progress with regard to trade, the East-West situation, the—all of these things.

And so the idea that these same ministers will now, as they go forward in this surveillance—mutual surveillance to make sure that we're not getting off the track in some country or other that might set back for all of us the recovery, that this they will look at very closely and see if such a conference would be a help in what we're trying to do. Now, it's going to depend on what they all decide and what they recommend.

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Document 83

Address by President Reagan, Camp David, Maryland, June 4, 1983 (Extract) [13]

The Significance of the Summit

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Now, a few words about our deliberations at the economic summit at Williamsburg. I was very pleased that the leaders of the great democracies could meet in that beautiful, colonial city so rich in history and culture. It was a perfect place to renew ties and pledge our best efforts to achieve stronger prosperity and security by living up to those cherished values that bind us: democracy, individual freedom, moral purpose, human dignity, and personal development.

Perhaps you're thinking, "That sounds fine. But how does it affect me?" Well, Williamsburg was meaningful and constructive in several ways. The leaders of the seven, free industrialized nations met in a private, informal setting—one that encouraged some of the best talks among the Allies in recent years. We were determined, as sincere and well-intentioned individuals, to talk through our problems, to rise above bickering and discord so, together, we could forge a common strategy for growth and jobs to ensure the better future our people deserve.

I think we succeeded. Our meetings produced a shared spirit of confidence, optimism, and cooperation—confidence that an economic recovery is beginning, optimism that it can spread to all countries and that it will last if our countries cooperate to keep inflation down, reduce interest rates further, and put a stop to protectionism.

Williamsburg also demonstrated, to the chagrin of the Soviets, that the spirit of unity in the West for peace through strength is alive and well. Every Western leader who attended agreed that we must resist Soviet efforts to drive a wedge between us. And we all committed ourselves to maintain our security while seeking real arms reductions and working for the cause of peace.

The Williamsburg summit was a positive gain that sent a message of hope to the world. That makes it all the more important for each country to follow up with sound, common sense policies that carry us forward toward greater progress.

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[13] Source: White House Press Release, June 4, 1983. Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, June 13, 1983, pp. 833–834. The President spoke on nationwide radio beginning at 12:06 p.m.

Chapter 6. United Nations; Developments in International Law

Document 84

Statement by the Representative to the International Atomic Energy Agency (Kennedy) Before the IAEA Board of Governors, Vienna, February 22, 1983 [1]

"The United States . . . Is Prepared To Renew Its Commitment to the IAEA and Its Important Programs"

I wish to advise the board of certain decisions recently taken by my government. As you all are aware, last September the United States suspended its participation in the IAEA. [2] Since that time, my government has been engaged in an extensive review and assessment of the IAEA and the future role of the United States in this agency. I would like to use this opportunity to share with you briefly some of the conclusions which we have reached from our intensive study, which is now completed.

Let me begin by recalling for the governors the message President Reagan sent to the delegates on the occasion of the 26th general conference. At that time the President said:

> "The United States is determined to work with other countries to assure that this agency can successfully meet the challenges ahead—from strengthening technical cooperation for sharing the benefits of nuclear energy to finding ways of improving further the technical and institutional safeguards against its misuse. It is our profound hope that others will share this determination—for it would be a tragedy for succeeding generations if we permit this organization to be weakened or undermined by political issues and concerns, which, however strong the emotions they arouse, are extraneous to the central technical purposes for which the agency was founded." [3]

It was with these thoughts in mind that our assessment was conducted. Our assessment underscored two basic points.

First, it is overwhelmingly clear that the IAEA has played and should continue to play a critical role in support of very substantial interests of all of its member states. The IAEA has contributed in a major way to progress in the expanded and safe use of nuclear-generated electric power and through its other development programs such as those in medicine, industry, agriculture, health, and safety. At the same time, we are all beneficiaries of the assurance provided through the application of international safeguards that nuclear material is not being misused for illicit and destructive purposes. Perpetuation of this assurance is essential if progress in peaceful nuclear development is to continue.

We, therefore, need to work together to improve the effectiveness of IAEA technical assistance programs, to improve the agency's safeguard system, and to maintain an effective secretariat. The director general is aware of the concerns we have expressed, and I am confident that we can achieve these needed improvements if we all exert our best efforts to that end.

The second major point emerging from our assessment is that, just as we are all the beneficiaries of the work conducted by the IAEA, we will all pay a considerable price if the viability and effectiveness of the IAEA are threatened. Yet it is clear to us that the growing trend toward controversy and divisiveness over political issues

[1] Source: Department of State *Bulletin*, April 1983, p. 79.

[2] For text of the statement issued by the Department of State upon suspension of U.S. participation in the International Atomic Energy Agency, see *American Foreign Policy: Current Documents, 1982*, p. 324.

[3] President Reagan's message was incorporated into the speech made by the head of the U.S. delegation to the 26th IAEA General Conference, Deputy Secretary of Energy W. Kenneth Davis, on September 21, 1982.

extraneous to the work of the IAEA is such a direct threat. We believe that unless this tendency is promptly checked, it will render the IAEA ineffective and will fatally corrode the enthusiasm with which member states have participated here for the last 25 years.

This is not to say that there will not continue to be legitimate differences among us regarding the allocation of agency resources and the relative emphasis placed on its programs. There are, of course, legitimate differences in perspectives and interests among the member states of the agency. We must not, however, abandon debate of issues germane to the IAEA in favor of debate of controversial political issues which should be addressed elsewhere. To do that would be to abandon our mutual and important interests in the IAEA.

In short, the agency must respect the statute and not, for reasons of political expediency, act in ways that are inconsistent with that statute. The agency's role in promoting the peaceful uses of nuclear energy during this critical period depends entirely on the credibility of its technical expertise.

As members of the IAEA's governing body, we bear a singular responsibility for determining the agency's future course. I believe we should make a determined effort to reestablish the tradition of member state cooperation which characterized its first 25 years. I look forward to working actively toward this end with you.

My government and, we are confident, other concerned governments will be watching carefully to see which direction the agency pursues in the months ahead. We hope and trust that the agency can put behind it the unfortunate political wrangling of the recent past and get back to the basic purposes which brought us all together in the first place.

The United States for its part then is prepared to renew its commitment to the IAEA and its important programs. Within the constraint of U.S. law, the United States intends to support fully these programs. At the same time, I must note that our commitment must depend on the degree to which other members are also determined to return this agency to its status as an effective international technical organization. It is our deep desire that all member states will join with us in this sincere effort. Together we can strengthen this unique international organization and see that the agency lives up to the principles contained in its statute.

Document 85

Statement by the Assistant Secretary of State for International Organization Affairs (Newell) Before the Senate Foreign Relations Committee, February 25, 1983 [4]

Five Priorities for U.S. Policy in the United Nations and Other International Organizations

I appreciate the opportunity to appear before you to present the President's fiscal year 1984 request for contributions to the certain voluntary funded organizations and programs of the United Nations and the Organization of American States. I will restrict my remarks primarily to the United Nations. Ambassador Middendorf is here to respond to any questions which you may have dealing with OAS programs. [5]

In addressing the authorization request now before the committee, it might be useful to place the request in context by describing my basic approach to the United Nations and the Bureau of International Organization Affairs.

As this committee may recall, I took office last June 4, and on June 9 announced five policy priorities to guide the work of the Bureau. [6] We have incorporated these priorities into our day-to-day management of multilateral issues, and we have used them to maintain a steady focus

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[4] Source: *Security and Development Assistance: Hearings Before the Committee on Foreign Relations, United States Senate, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 181–183.

[5] Middendorf did not present a formal statement, but instead responded to questions from the committee. See *ibid.*, pp. 179, 188.

[6] The five priorities were announced internally within the Bureau of International Organization Affairs.

on those matters of greatest importance to the United States.

The first priority is that of a reassertion of America's leadership role in international organizations. In the last General Assembly, for example, we turned back Cuba's effort to put Puerto Rico on the Assembly's agenda. We were instrumental in defeating an attempt to exclude Israel from full participation. [7] Both were difficult situations in which we took an aggressive stance and prevailed.

Our second priority deals with budget responsibility. The United States is dedicated to supporting international organizations whose assessed budgets reflect conservative fiscal policies and economic reality. The President's own budget policy of zero net program growth and significant absorption of nondiscretionary cost increases is certainly reflected in this policy.

In view of the restraint being imposed on the domestic programs of the United States and other major contributors, international organizations simply cannot be immune from economic reality. Although the battle is far from won, we are seeing some encouraging signs here, such as the defeat of the unwarranted pay raise for U.N. employees at our insistence, [8] and slower budget growth is finally starting to gain some support.

The third priority is strengthening U.S. influence in international conferences. Leaner delegations not only contribute to cost savings, but they also assure us of more disciplined delegations. Our goal here is to reduce the delegations by 30 percent as compared to fiscal year 1980. Over the last 8 months, we have achieved a reduction of more than 26 percent.

Our fourth priority is more U.S. nationals serving in international organizations. We want, of course, no unfair advantage here, but we do seek to fall within the established ranges in each one of these organizations. We have met with some success in this priority.

Our fifth and last priority is an increased role for the private sector. We would point here to our involvement with the IPDC, an offshoot of UNESCO, and with the ITU funding of grants to developing countries for training here with U.S. communications organizations.

To implement these priorities, I launched on July 15 a systematic, indepth review of each of the international organizations and programs in which we participate. In consultation with other bureaus and departments, we have met together on several of these. Our deadline for completion is September 15. Here we ask the questions of ourselves as to the effectiveness of the international organizations, weighing the benefits and the costs of our participation. Our goal is to insure that these organizations promote both American and world interests.

Finally, let me indicate what I see to be the two greatest problems that are before us. One deals with the introduction of extraneous political elements into the international organizations. The second deals with lack of discipline financially throughout the system.

Through my extensive consultations with secretariats and some 58 member governments, we have stressed time and time again the need for fiscal restraint. Our success in dealing with both of these problems, extraneous political issues and financial indiscipline, may well determine the future health of international organizations.

I appreciate this opportunity to appear before the committee. In sum, my attitude is neither cynical nor overly optimistic. Our desire is to seek to strengthen our

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[7] For infomation on Cuba's attempt to include the question of self-determination and independence for Puerto Rico on the agenda of the 37th session of the U.N. General Assembly, see U.N. documents A/37/194, A/37/PV.4, and A/37/250. For the U.S. response to efforts to exclude Israel from participating in the 37th U.N. General Assembly, see *American Foreign Policy: Current Documents, 1982*, p. 324.

[8] The reference is to a proposal by the Administrative Committee on Coordination, part of the International Civil Service Commission, for an increase in the salaries of U.N. professional staff members. The United States opposed the increase in the Fifth Committee of the 37th U.N. General Assembly. The proposal was eventually tabled, and no mention of it was made in the omnibus resolution resulting from consideration of the Report of the International Civil Service Commission. For a discussion of the proposal, see U.N. document A/37/30, pp. 22–32. For text of the U.S. statement in the Fifth Committee, see U.S. Mission to the United Nations Press Release 128(82), November 16, 1982. For text of the omnibus resolution, approved December 17, 1982, see U.N. General Assembly Resolution 37/126.

participation in the United Nations and its affiliates, and to follow the President's statement of last June 17 when he appeared before the United Nations and spoke of continuing our participation in a constructive way. [9]

Mr. Chairman, that ends my remarks. I would be pleased now to take any questions that you or the committee may have.

Document 86

Statement by President Reagan, April 18, 1983 [10]

Support For UNICEF's Efforts To Bring a "Health Revolution" to the World's Children

For nearly a quarter of a century the United States has generously offered resources and know-how to give a better, healthier life to ill and malnourished people throughout the world. Despite past efforts and progress by the United States and many other countries, the United Nations Children's Fund (UNICEF) recently reported that over 40,000 children in developing countries still die every day, victims of malnutrition and disease. This is a tragedy of global proportions and requires a global effort in response.

UNICEF is now pursuing a "health revolution" for children in developing countries that involves a new combination of technological and social approaches to health. It is estimated that this combination, coupled with networks of trained health workers backed by government services and international assistance, can save the lives of 20,000 children each day within a decade. Moreover, literally hundreds of millions of young lives would be healthier.

One technological achievement has been the development and distribution of an inexpensive home treatment for diarrhea, a major contributor to deaths among young children in developing countries. This treatment was developed after years of research in the International Center for Diarrheal Disease Research in Bangladesh. The United States has contributed to that institution for more than 20 years. The World Health Organization has also been a focal point for international support and study of diarrheal diseases.

A second element is the development of low-cost vaccines which do not require refrigeration and which can be used in remote areas to protect children from such killers as measles, diphtheria, tetanus, whooping cough, polio, and tuberculosis.

Another factor is the promotion of breast feeding for its nutritional and hygienic value, as well as its immunological qualities. Still another is a simple infant weight chart kept by the child's mother which indicates a child's progress at monthly weighings, making malnutrition quickly detectable. Its design and use have been improved and tested in U.S.-supported maternal child health programs around the world. UNICEF has found that a great portion of malnutrition cases are due to the problem going undetected rather than lack of food in the family.

The American people have always been in the vanguard of support for children's health and well-being. As President of the United States, I am asking the American people to help bring about a health revolution for children during the coming decade by supporting UNICEF's humanitarian program.

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[9] Reference is presumably to a toast President Reagan made at a June 17, 1982, luncheon held in New York by the Secretary-General of the United Nations. For text, see *American Foreign Policy: Current Documents, 1982*, p. 322.

[10] Source: White House Press Release, April 18, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, April 25, 1983, pp. 558–559.

Document 87

Statement by the Representative at the United Nations (Kirkpatrick) Before a Subcommittee of the Senate Foreign Relations Committee, May 19, 1983 [11]

"The Importance to Our Nation of the Growing Proliferation of U.N. Regulations"

Thank you, Senator Pressler. I am very pleased to be here and I would like to begin by saying that we, in the U.S. Mission to the United Nations, and the Bureau of International Organizations at the State Department, the Reagan administration, the permanent bureaucracy, I think, throughout the U.S. Government share your concern.

I am very pleased that the U.S. Senate and you, Senator Pressler, with the holding of these hearings have recognized and institutionalized your concern with the importance to our Nation of the growing proliferation of United Nations regulations.

As the U.S. business community is coming increasingly to realize, this is a matter of great importance to the whole American economy. It is also a matter of importance to the economic well-being of the world and to economic freedom and, indeed, freedom in the world.

The involvement of the United Nations in regulatory activities is not new. Many of the specialized agencies in the U.N. system have long been involved in areas affecting international commerce such as maritime safety, international air travel, patent and copyright protection, and the like. Some of this is very beneficial.

What is new is the extraordinary proliferation of U.N. regulatory initiatives in recent years. What is new especially is the growing politicization, the growing tendency to use regulation as an ideological weapon and a political weapon in world economic and political combat. In fact, this subject, as you know, I discussed at some length in my article on "Global Paternalism: The U.N. and the New International Regulatory Order," and I will recap some of the points I made in that article.

SENATOR PRESSLER. That was an excellent article and, with unanimous consent, we will place that in the record. [12]

AMBASSADOR KIRKPATRICK. Thank you, Senator Pressler.

I think, first of all, it is notable that the range of U.N. regulatory efforts has become astonishingly wide. Where they used to be narrowly focused, today they address a broad range of issues, including international transportation, shipping, international communications, direct satellite broadcasting—all of which are issues that have great importance to the future as well as the present—trans-border data flow. We have been very deeply concerned at the development of regulatory obstacles to the free flow of information.

U.N. efforts are currently in the works dealing with such broad areas of economic life as consumer protection and the activities and treatment of transnational corporations. The U.S. Mission to the United Nations keeps in regular touch with a range of American business and labor executives in order to remain informed about these issues. Other U.N. initiatives focus on specific products or industries such as, to take two famous cases, infant formula and pesticides.

There is a very great diversity in the format assumed by U.N.-sponsored regulatory activity. Some of the regulatory activity takes the form of binding agreements which, after they have been ratified by governments, have the force of law. Those are very easy to recognize.

Others are issued only as recommendations by expert bodies or in the form of voluntary, nonbinding codes or guidelines approved by intergovernmental organizations. These latter types of regulation do not have the legal force of law, but they can be influential in their impact on international business, because when standards and norms are adopted by a wide range of nations with universal or nearly universal endorsement they assume a kind of moral

[11] Source: *U.N. Regulations—Food and Other Exports: Hearing Before the Subcommittee on Arms Control, Oceans, International Operations and Environment of the Committee on Foreign Relations, United States Senate, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 20–25.

[12] See p. 31. [Footnote in the source text.]

and political force that has a major influence on practices inside countries. They are not lightly challenged by single nations, much less by industries. Such international standards become, then, the basis for national legislation in a lot of countries, particularly Third World countries.

Given the great diversity of U.N. regulations, their subjects and their formats, it is difficult to generalize about them, but I would like to try just a few generalizations. One you have already mentioned concerning their source, U.N. regulation has proliferated because the growing interdependence of our world, the greater complexity of technology, the heightening levels of international economic cooperation, have increased the need for regulations.

Nobody doubts the need for some kinds of international regulation to protect everybody, not just less developed nations, but everybody. The United Nations sometimes serves as a useful forum in which constructive agreements can be reached. What is very disturbing, however, is the growing politicization of the efforts at regulation in the U.N. system.

This politicization is a problem for all U.N. activities and throughout the U.N. system. One of the sources of this politicization is, of course, the doctrine of the new international economic order [NIEO].[13] The new international economic order is a dream about what the world might look like if it were restructured on the basis of global socialism.

The bottom line of the new international economic order is a massive transfer of wealth and resources on the one hand, but, perhaps most important of all, a transfer of power—power over decisions that affect our lives. You could say that it is a transfer from the more developed countries to the less developed countries, but I do not believe that is the case. I believe it is a transfer of power from decisionmaking in more developed countries to a new breed of international bureaucrat and a new breed of international political operator.

It could result in a mortal blow to market economies and the ability of market economies and free economic systems to operate effectively in the world.

Another closely related source of politicization is dislike of multinational corporations. Multinational corporations have come to enjoy very low prestige at the United Nations partly doubtless because they have engaged sometimes in some practices which they should not have, but also because they are the principal targets of this ideology which is very hostile to free market economics. I would say it is hostile to free market development as well.

The multinationals are cast as the villains in the new international economic order. I have had extraordinary conversations with top executives of American multinational corporations about the difficulties which they have had in the last decade in even maintaining high level contact with U.N. decisionmaking bodies engaged in attempts at regulation of their kind of enterprise.

Many U.N. regulatory initiatives, we believe, could be more appropriately and effectively addressed at the national level by national governments than at the international level. The hostility of the dominant ideology in the U.N. system to business gets transmitted through projected regulatory codes to nations and encourages them to adopt standards and practices which they would not do if they were simply trying to engage in national decisionmaking.

That means that the kinds of decisions and policies that are adopted, that are inspired by U.N. regulatory codes, are likely to be different than the kinds of policies that will be adopted by nations left to their own devices. We think that a good many of the organizations and groups in the world that are hostile to business and free enterprise are, therefore, particularly attracted to international regulation as a mechanism for implementing their ideologies and for spreading their kinds of policies.

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[13] The New International Economic Order refers to a proposal to eliminate the economic and social disparity between the developed and developing countries. The proposal emphasizes the need for redistribution of wealth and sharing of resources by nations of the world. Areas of action include raw materials, food, general trade, transportation and insurance, industrialization, transfer of technology, and regulation and control over transnational corporations' activities. For further information, see U.N. General Assembly Resolutions 3201 (S-VI) and 3202 (S-VI) in U.N. document A/9559. All bracketed notes are in the source text.

Why can the United States not be more effective in influencing the codes developed in the U.N. system? The answer to that is the politics of the United Nations. This committee has already heard me discuss this issue.

The political arithmetic that prevails in the U.N. system puts us at an enormous disadvantage. The votes are distributed in the General Assembly and in most of the bodies of the United Nations on the basis of one country/one vote. Now a very large portion of those countries have very little economic experience in modern economics and modern production; furthermore, countries are organized into blocs in the U.N. system. The U.N. features politics in which blocs function very much like political parties in the Congress, and the biggest bloc that is influential in the economic area is, of course, the G–77. [14]

The G–77 comprises nearly three-fourths of the total membership of U.N. bodies, so that on any given issue they can deliver the less-developed countries, who have the least experience with economic production and the least detailed knowledge about it. They can deliver a three-fourths majority, whereas the most developed countries, who have the most economic experience and the most to win or lose, the largest stake, are relegated to a kind of permanent minority. The United States and its partners in the OECD, for example, can muster less than one-sixth of the total vote in the typical U.N. arena, despite the fact that they produce nearly two-thirds of the world's gross national product and contribute over 70 percent of the U.N. budget.

Furthermore, the political unity of the OECD countries on economic issues is usually less reliable and frailer than the political unity of the G–77. One of the reasons for that is that in the U.N. system, as in the Congress, if you want to be successful you have to do a good deal of political wheeling and dealing and vote trading, and if you want a country's votes on one issue you may have to give them your votes on another. Some of the economic issues are the ones in which the developed countries, our OECD partners, often make compromises.

Another reason we do not do better, is that the United States and the Western countries have not been very vigorously engaged in ideological debate. We almost abandoned the field about 10 or 15 years ago, and have not made the case for the benefits of a free economy.

In this administration, we have tried to persuade our colleagues in the United Nations to look at the record to see which kinds of policies lead to economic development and which kinds lead to stagnation, and we have tried to make the case that they will be better off if they take another good, hard look at the new international economic order.

But it is a long road back to influence and to get fair treatment for free market economics in both theory and practice. Meanwhile, I think we simply have to stand alone if necessary. We have demonstrated that we can do that.

We would much rather stand with the other industrialized countries and we would much rather stand with the countries of the Third World who are themselves really interested in economic development for their own people in their own countries. But, if we have to, we will stand alone, as we have done on several occasions. The goal of our diplomacy and our diplomatic politics, however, must be to minimize the situations in which we stand alone and maximize our support or influence in the system.

The latest example of U.N. regulation, and one which I know you are concerned about, is the draft guidelines for consumer protection, which are slated to come before the summer session of the Economic and Social Council [ECOSOC] in Geneva this summer. [15] ECOSOC's involvement in this issue dates back to 1977. It arose from a concern that the developing countries did not have adequate capabilities in the field of consumer protection to protect themselves and that, therefore, they needed help from the United Nations.

Various reports and resolutions on this subject culminated in a 1981 ECOSOC

[14] Formed in 1964 by 75 developing countries during the first U.N. Conference on Trade and Development (UNCTAD I), the Group of 77 acquired its present name after its membership had expanded by two. Currently representing about 121 Third World nations, it has functioned as a caucus for economic matters in many forums, particularly in the United Nations.

[15] For text of the draft submitted to the summer session, see U.N. document E/1983/71.

resolution calling on the U.N. Secretariat to elaborate a set of general guidelines for consumer protection. In accordance with this mandate, the Secretariat of the United Nations compiled a set of draft guidelines, circulated to member States last fall. [16]

The United States has submitted very extensive comments on these proposed guidelines. Eventually, the revised draft guidelines will appear in a document that also summarizes the comments of the member States. This document will be issued by the U.N. Secretariat prior to the July meeting of ECOSOC, and will serve as the basis for negotiations on the final decisions to be made in Geneva in the summer. [17]

Now we are still at a rather preliminary stage in the drafting of these guidelines and nothing is in concrete yet. But we are on the way and molds are made, and what I would like to do is just comment very briefly on the shape, as it were, of those molds in which the concrete may be set and what disturbs us about them, why we think we may not be able to vote for them unless they undergo some significant changes.

First, I note that the original guidelines contain a number of specific provisions that were seriously prejudicial to American interests and the interests of American business. The original guidelines certainly were not acceptable to us. We hope that our comments and criticisms of these guidelines may result in sufficient revision that there will be eventually not only a set of guidelines which we could vote for but one which would not be damaging, in fact, to the consumers of the world.

We share the concern with consumer protection. Obviously our country supports effective consumer protection. Obviously we at U.S.U.N. support effective consumer protection. We believe, however, that the primary responsibility for consumer protection rests with each nation. We do not believe that ultimate responsibility for consumer protection resides i some global organization which we thin does not even have the capacity to mak prudent decisions about consumer prote tion.

We believe that an important goal consumer policy should be to maximi consumer choice. We believe, of cours that economic competition is one impo tant means of maximizing consum choice.

We believe that international tra serves the interests of consumers and believe very deeply that policies present in the guise of consumer protecti should not be used as nontariff barriers trade. We think there is a real danger policies being presented in the guise consumer protection whose real goal, a certainly whose function, will be to se as nontariff barriers to international tra

We believe that the costs of regulati internationally as well as nationa should be considered along with the be fits in deciding on the advisability of c sumer protection measures. We believe nally, not only that nations, rather t global bodies, should have the fundam tal responsibility for the protection their consumers, but that consum themselves ought to have some right decide among competing values.

Let me give you an example. One cern of the consumer protection gu lines which have been formulated in Secretariat is that products, foodstuffs example, should be harmonious with tural forms existing in the various na of the world.

Now we Americans live in a socie which we can choose often among ucts that seem consistent with our cu and those that do not. We have food that are presented in oriental for French form, in German form, in A form. We like to have a choice a products that are not necessarily co ent with our indigenous culture.

We think cultural heterogeneity riching, not threatening. We se reason that some international should deprive people in the less oped worlds of the possibilities of e encing the rich choice among produ different cultures and packages of ent cultures. We hate to think an in

[16] For text, see ECOSOC Resolution 1981/62, July 23, 1981. The draft guidelines compiled by the U.N. Secretariat and distributed to member states were not published.

[17] Comments by member states on the draft guidelines were not published. U.N. document E/1983/71 summarizes member states' comments, but does not identify which states made specific comments. For text of the final decisions on the guidelines made at the 1983 ECOSOC session, see ECOSOC decision 1983/174, July 28, 1983.

tional regulatory body would deprive countries in Africa, for example, of the pleasures of French food, if some African consumers preferred French food.

Former British colonial countries might find that their culture was consistent with British food and not with French food or Japanese food, but we see no reason that just because they had the bad luck to be British colonies or French colonies or whatever, they ought to be limited forever to foodstuffs consistent with that colonial tradition or their own indigenous precolonial traditions.

I think the point is clear. We believe that the requirements of cultural consistency are vague, amorphous and would lead to arbitrary regulations which are punitive toward individuals and also punitive toward American business and very likely to function as nontariff trade barriers.

I wish that I could tell you that at the end of this current process there will be guidelines that the United States will find it possible to support. Frankly, I am not sure. All I can tell you at this stage is that we will do our best, as indeed we are doing, to take account of the conflicting values and we will give priority to legitimate concerns of consumer safety.

We will take into account in all of our reflections on this the safety and health and well-being of persons in areas of the world that may not have adequate national facilities for protecting themselves. We are not indifferent to those concerns, but neither do we believe that under the guise of protecting health and safety new codes of arbitrary international regulation should be imposed.

Thank you, Senator Pressler.

Document 88

Statement Issued by the U.S. Mission to the United Nations, New York, September 19, 1983 [18]

"The United States Takes Its Responsibilities as Host Country Seriously"

Ambassador Lichenstein's remarks this morning in the United Nations Host Country Relations Committee should be understood in the broader context in which they were made. He was responding to a hostile attack by the Soviet delegate who charged, among other things, that the United States was not a suitable host country for the United Nations because it was conspiring to violate its obligations to the United Nations. [19] The same theme, it should be recalled, was touched on in the TASS statement last Saturday which announced that Foreign Minister Gromyko would not be attending the session of the U.N. General Assembly that begins tomorrow. [20]

Ambassador Lichenstein called these charges "A palpable falsehood," as indeed they are. The United States believes that, in making arrangements for Mr. Gromyko's safe and prompt arrival here, it is

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[18] Source: U.S. Mission to the United Nations Press Release USUN-73(83), September 19, 1983.

[19] Neither the text of Lichenstein's statement nor that of the Soviet delegate was published. The *New York Times* reported that Lichenstein stated, "If in the judicious determination of the members of the United Nations, they feel that they are not welcome and that they are not being treated with the hostly consideration that is their due, then the United States strongly encourages such member states seriously to consider removing themselves and this organization from the soil of the United States. We will put no impediment in your way. The members of the U.S. Mission to the United Nations will be down at the dockside waving you a fond farewell as you sail into the sunset." The same article also quoted briefly the Soviet delegate's statement. See *New York Times*, September 20, 1983, p. A1. Summary records of the proceedings of the U.N. Committee on Host Country Relations were not published as part of a 3-year trial effort, begun at the end of 1982, to reduce committee meeting costs.

[20] For text of the September 17, 1983, TASS statement, see *ibid.*, September 18, 1983, p. A1.

fully living up to both the letter and the spirit of our obligations as host country. These obligations, we believe, do not permit U.N. diplomats to fly in any time, anywhere, or by any means they choose. They do mean that convenient, safe, normal travel to and from the United Nations should be available. Just such travel is available to Mr. Gromyko. He is free to travel to the United States by any commercial airline in the world other than Aeroflot, which other Soviet delegates to the General Assembly will do. Or, if he prefers, he is free to arrive by Soviet military aircraft and land at a convenient, nearby airbase. In fact, the U.S. decision regarding Mr. Gromyko would have allowed him to enter the United States even after security considerations had led the Governors of New York and New Jersey to close civilian airports to Aeroflot planes.

The United States takes its responsibilities as host country seriously, and works very hard at making conditions here as secure and pleasant as possible. To suggest, as the Soviet delegate did today, that the United States is unfit to be host country because of Mr. Gromyko's decision not to come to this General Assembly, is in fact a provocation—to which Ambassador Lichenstein responded accordingly. His remarks should be understood as a response to a deliberate provocation, not as any new departure in U.S. policy.[21]

[21] President Reagan addressed Lichenstein's remarks during a September 21, 1983, meeting with regional editors and broadcasters. In response to a request for his thoughts on the issue, the President stated that he felt Lichenstein "had the hearty approval of most people in America in his suggestion that we weren't asking anyone to leave, but if they chose to leave, goodby." He closed his comments with, "And we'd permit them." For text, see *Weekly Compilation of Presidential Documents*, October 3, 1983, p. 1298.

Document 89

Transcript of a White House Press Briefing, September 23, 1983[22]

The President's Trip to the United Nations

SENIOR ADMINISTRATION OFFICIAL. As you know, and as the schedule you will get indicates, the President is going to New York on the 25th and he will deliver a speech on the 26th to the U.N. General Assembly.[23] In addition, he will want to consult with Secretary-General Perez de Cuellar, and he will meet some of the world leaders who are there, and I will go into that in just a minute.

Every President since Truman has spoken to the UNGA. President Reagan spoke to the Special Session on disarmament on June 17, 1982.[24] The reason he is going this year is essentially that there are a number of major international issues that are very much on the front burner, including the KAL shoot down,[25] Central American issue, Middle East, relations with the Soviet Union and arms control, all of which he thinks need to be discussed with the General Assembly and our views put forward and also with some of the world leaders. I can't give you much on the speech itself, first of all, because it is still being written; secondly, because . . . will be background briefing on that on Monday.

Let me simply say that at this point that while there are all of these issues facing us, that the President's speech which will try to deal with them will do so in a manner in which there are some proposals for positive change. I think it is fair to say that it will particularly emphasize the importance of proceeding, moving ahead on arms control.

[22] Source: Office of the Press Secretary to the President. The briefing was conducted on background by senior administration officials in the Briefing Room of the White House beginning at 10:38 a.m.

[23] See document 4.

[24] For text, see *American Foreign Policy: Current Documents, 1982*, p. 153.

[25] Reference is to a September 1, 1983, incident, in which a Soviet military plane shot at and destroyed a civilian plane, Korean Airlines flight 007, which had strayed into Soviet airspace.

The President will be the first speaker at the General Assembly and we are hopeful that that speech will help to set the tone for the General Assembly sessions themselves. There will be some 14 heads of state or government and some 50 foreign ministers present in New York at the time the President gives his speech. He will, I understand, give a reception for heads of government, chiefs of state, foreign ministers, on Sunday night.

He will meet with the Secretary General of the United Nations, where he will reaffirm strong U.S. support for the United Nations. I emphasize that fact. He will, however, at the same time say that the United States feels strongly that we have got to recess [*resist*] politization—I can't even say it—politicization—I hope he can—(Laughter) of the U.N. specialized agencies, and he will indicate the U.S. Government's unwillingness to accept without strong response the growing tendencies in the U.N. toward a double standard.

He will stress that we want to make the United Nations a more effective organization, that we want to hold down budget growth while improving the efficiency. He will probably also make it clear, however, to the Secretary-General that he stands by his budget requests for the United Nations as submitted to the Congress and that he feels it is a reasonable request to the U.S. Congress, and that this administration can take substantial pride in the fact that we have worked over the last two years to hold down real budget growth within the United Nations. For example, real budget growth for the United Nations in the years 1983–1984—I'm sorry, 1984–1985 as against 1983–1984 will be .7 percent; seven-tenths of one percent as contrasted with 1982–1983.

Q. One more time, please?

Q. That is the real growth?

SENIOR ADMINISTRATION OFFICIAL. Real budget growth for the United Nations.

Q. How much?

SENIOR ADMINISTRATION OFFICIAL. For the years '84–'85 will be seven-tenths of one percent as contrasted with '82–'83.

Q. Last night Congress voted against it. [26]

SENIOR ADMINISTRATION OFFICIAL. I understand that.

Q. As contrasted with what for 1982?

SENIOR ADMINISTRATION OFFICIAL. With the U.N. budget for 1983–1984.

Q. 1982–1983?

SENIOR ADMINISTRATION OFFICIAL. 1982–1983.

Q. Do you know what the budget growth was?

SENIOR ADMINISTRATION OFFICIAL. The biennial budget for 1984–1985 is .7 percent more in real terms than the biennial budget for 1982–1983.

Q. What was the increase in 1982–1983? Do you know that?

SENIOR ADMINISTRATION OFFICIAL. 1980–1981 to 1982–1983?

Q. Yes.

SENIOR ADMINISTRATION OFFICIAL. I am not sure.

SENIOR ADMINISTRATION OFFICIAL. We will find that out for you. A substantial reduction in the real budget growth rate is my point.

Q. Sir, what is that in real dollsrs, real money?

SENIOR ADMINISTRATION OFFICIAL. We will have to get you the figures. All I have is the percentage figures.

Q. You don't know how much we give now?

SENIOR ADMINISTRATION OFFICIAL. I don't know.

SENIOR ADMINISTRATION OFFICIAL. The President will also—

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[26] Reference is to the September 22, 1983, Senate vote on Amendment 2201 to the Department of State authorization bill. The amendment, which proposed to restrict U.S. assessed payments to the United Nations, UNESCO, WHO, FAO, and ILO, passed the Senate by a vote of 66 for and 23 against. The funds were later restored to the Department of State budget by votes in both the Senate and the House of Representatives.

Q. Will he veto it, sir?

Q. Will it be in the speech?

SENIOR ADMINISTRATION OFFICIAL. Let me finish. That question I don't know the answer to.

Q. I see.

SENIOR ADMINISTRATION OFFICIAL. Let me finish this and I can get, as I suspected you would want to, to the United Nations budget. (Laughter) In the meeting with the Secretary-General, he will also reaffirm our support for the Secretary-General's efforts in the Afghan negotiations, where we strongly support his efforts and the efforts of Mr. Cordovez [27] to arrive at a negotiated settlement for the withdrawal of Soviet forces from Afghanistan, and he will also indicate our support for the Secretary-General's efforts in Namibia and in Cyprus. He will meet, the President will meet as well with Prince Sihanouk and Son Sann. He will emphasize to them that the U.S. Government backs strongly the ASEAN strategy to obtain a comprehensive political settlement in Kampuchea, and his meeting with Prince Sihanouk and Son Sann will be a demonstration of this government's support for their efforts in fact to arrive at a reasonable settlement in Kampuchea.

The meeting will reflect our view that the non-Communist elements of the coalition led by Prince Sihanouk and Son Sann offer a credible alternative to the puppet regime now imposed on Kampuchea.

Q. Is that one meeting or two meetings?

SENIOR ADMINISTRATION OFFICIAL. One, as I understand it. He will meet as well with Samuel Doe of Liberia. Mr. Doe has been particularly supportive of U.S. efforts in areas such as the Chad, and with regard to Israel, and we will want to make it clear to him that we appreciate those efforts. The meeting will also reaffirm our support for Liberia's return to constitutional government and the President will also indicate that we are ready to help as we can in Liberia's economic development. The President will meet with Jorge Illueca, who is the President of the 38th General Assembly. He is from Panama. It is essentially a courtesy call. He will meet as well with King Hassan II of Morocco. I think you all know that we regard our relations with Morocco as particularly important and the President will want to spend a good bit of time talking with the King about Lebanon—in specific terms, the Middle East; more generally the Western Sahara—and bilateral issues again including economic relationships.

Finally, the President will also meet with Prime Minister Indira Gandhi. As you know, India is now the chairman of the nonaligned movement and the President will want to spend a good bit of time talking with her about nonalignment and its role in the world and her views of world events and to indicate to her in advance of the summit that Mrs. Gandhi has called in New York [28] our interest in a close relationship with the nonaligned movement. The President won't be able to attend the summit sessions himself but he intends to use the meeting with Mrs. Gandhi to try to indicate to her our views on many of the issues that will be discussed at that summit. We will also want to discuss bilateral problems and issues with Mrs. Gandhi in the aftermath of her visit here last year and indicate again our desire to continue what we think has been a rather substantial improvement in that bilateral relationship since her visit.

I will now be glad to try to answer your questions. Yes, sir.

Q. Will you be more explicit about the double standard that you said the President is going to tell Perez de Cuellar that we are no longer willing to accept?

SENIOR ADMINISTRATION OFFICIAL. It is our general view—well, let me give you an example if I may of the—I am not now speaking for the President—but as an example of the double standard that I think we in this administration tend to find disturbing. The Security Council was, in the last analysis, unable to arrive at a resolution dealing with the events that the Chad and Libyan intervention in that country

[27] Diego Cordóvez, the U.N. Secretary-General's personal representative.

[28] Reference is to informal meetings held in New York on September 27 and 29, 1983. Leaders from approximately 25 nations met to discuss peace, arms control, and the international economy. The meetings were organized by Indira Gandhi in her capacity as chairman of the nonaligned nations. Although the meetings were held in U.N. facilities, they were not sponsored by the United Nations. No U.S. representatives attended, nor was any summary report of the proceedings issued.

[*sic*] despite the fact that, in our view, the evidence of intervention is clear and we think that the condemnation, therefore, naturally should have flowed therefrom. With regard to the Korean airliner shoot down, we were more successful and, in fact, the Soviets were forced to veto that resolution, but even there there were some countries which felt it necessary to abstain from the vote, and I must say it is an abstention that we did not understand. And our view is that there tends to be these days within the United Nations a willingness to accept conduct on the part of other countries or at least not to react strongly against it and at the same time, then, react strongly when actions are taken by some Western countries that do not meet with full approbation by the United Nations. Yes, sir.

Q. If I could follow that up, why then, to make another part of your statement clearer, is not an action like the Senate action on the funding a tangible and concrete signal of that displeasure?

SENIOR ADMINISTRATION OFFICIAL. I think Ambassador Kirkpatrick made the point well yesterday;[29] that the issue in terms of the double standard is the governments conduct themselves in the United Nations in ways that we think are, to put it mildly, unwise. That is not to say that we do not believe that the organization as such serves a useful purpose and should continue, and that is not just pointing to the specialized agencies that do substantial good work but in addition the importance of maintaining a United Nations which permits members to debate with one another and to air issues. We are not saying that the United Nations as an institutional or an organization does not serve a purpose. We are saying, however, that we are substantially unhappy with the way in which a number of countries express their views within the United Nations and we intend to react when they do so. We are not saying that they don't have a right to do it. We also are saying that we think it is unwise to cut the U.N.'s budget.

Q. Is there any way in which this administration thinks that displeasure can be shown other than the President's stating it? I mean if you have ruled out the budget cutting, is there any specific or concrete action you could contemplate taking?

SENIOR ADMINISTRATION OFFICIAL. I think the answer to that is that the way in which we think it best to deal with this issue is to be very precise about our feeling and our reaction that we do not, again to state it specifically, we do not agree with the proposed budget cut. We do, however—and this is related to questions of efficiency and expenditures of money—we do believe that it is important for the United Nations to take major efforts to cut its budget growth which we think has been too fast and too much and that there are inefficiencies within the United Nations that can very well be dealt with by holding down budget growth.

Q. In broad terms, can you give us an idea on the speech as to whether we are going to hear strong language, anti-Soviet language or whether that is going to be qualified somewhat and is the emphasis going to be more on arms control in terms of the Soviet-U.S. relationship rather than KAL?

SENIOR ADMINISTRATION OFFICIAL. I am reluctant to try at this point to answer that question very specifically. I think there is no question because the speech is still in the works, but I think there is no question the President is going to make it clear our view of the state of our relationships with the Soviets and their conduct, including the Korean Airline's tragedy. I think it is also clear, however, that the President will in the speech be making suggestions on a range of issues for positive steps to try to improve the international atmosphere and I think it safe to say that a subject—well, a major portion of the speech will deal with arms control, which we believe and the President believes certainly to be one of the areas that is most in need of serious attention. Yes, ma'am?

Q. Sir, I don't see any place on here where the President is going to be greeted by or confer with our Ambassador there.

SENIOR ADMINISTRATION OFFICIAL. I think she will. I don't know how she is going to greet him, but she will be present with the meeting with Perez de Cuellar and my assumption is that Ambassador Kirkpatrick will accompany the President throughout the whole visit up there. I have to assume that they will probably get together at some point when he first arrives. Yes, sir?

Q. . . . do you believe that if the budget cuts in the Senate voted last night

[29] Kirkpatrick's statement has not been further identified.

were to stand that it would over the long run damage U.S. interests and give the Soviets a propaganda edge?

SENIOR ADMINISTRATION OFFICIAL. I think it would damage U.S. interests. Whether it gives the Soviets a propaganda edge or not I don't know, the point being that we believe that the maintenance of a strong U.S. role within the United Nations is important to U.S. interests; and that the United Nations can serve useful purposes in maintaining the peace. Again, that is not to say that we don't have substantial disagreement with the way in which some members of the United Nations of late have been conducting themselves. Yes, sir?

Q. . . . how do your remarks just now about our support of the United Nations square with Mr. Lichenstein's remark the other day and particularly with the President's virtual endorsement of what Mr. Lichenstein said? [30] It seems to me we are hearing two voices out of this.

SENIOR ADMINISTRATION OFFICIAL. I don't think that is right at all. And I devoutly hope I am in sync with my President, but I really don't think that is the case at all.

What Ambassador Lichenstein was saying—what the President said in support of that statement was not that the United States ought to get out of the United Nations, or that the United Nations ought to get out of the United States, but rather, as the Ambassador made clear, if there are some countries in the United Nations who are dissatisfied with the way in which we carry out our obligations as hosts, they have a perfect right to move or move the United Nations if they can get sufficient other countries to agree with them, and we are not going to stand in the way of that. We feel we have met our obligations as hosts to the United Nations. We will continue to meet those obligations and those who complain about the way we carry it out can look for other alternatives if they wish. And, I don't think that that is in any way in contradiction to our and my saying that we believe the United States or the United Nations serves a useful purpose for the United States.

Q. If that is the statement of policy, . . . why did both the State Department and the White House say it was not policy, that Lichenstein was just speaking for himself immediately after he said it?

SENIOR ADMINISTRATION OFFICIAL. I have just told you what I thought the statement of policy was, that the United States continues to believe it is useful to maintain itself in the United Nations and the United Nations in the United States. What Ambassador Lichenstein said, he said as a personal statement, but I and the President have no trouble with the point he made which is if you don't like the way we are managing the process of being hosts here, you can find some other solution.

Q. Let me ask it this way. In 1945 we campaigned rather strongly to make sure that the United Nations would be in the United States. Would we do so again if there was a movement to get the United Nations out of the United States? Apparently you are saying now, and the President has said, and Lichenstein has said, that we wouldn't stand in the way if that is what they wanted to do. Would we not fight such a move?

SENIOR ADMINISTRATION OFFICIAL. I think it is clear if the majority of the United Nations wanted to move it somewhere else, we would not stand in the way.

Q. That is right. Would you fight the majority in doing it?

SENIOR ADMINISTRATION OFFICIAL. My answer to that would be, we have to face the circumstance at the time. I don't know whether we would fight it or not. Our view is that it is useful for it to continue in New York. It is useful for the United States to be a member of the United Nations. And since it is a wholly hypothetical question of what we would do if a number of people tried to get it out of the United States, I can't answer the question.

Q. Who are some of the countries in the United Nations that we are substantially unhappy with, as you say?

SENIOR ADMINISTRATION OFFICIAL. I would rather not go into too much detail, although I can point out to you, as I said, that our lack of enthusiasm for the abstention at the time of the Korean shootdown ought to give you some hint.

Q. Why?

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[30] See *supra*.

Q. Why is that "the double standard" which you mentioned, to use a quote?

SENIOR ADMINISTRATION OFFICIAL. I can give you some personal attempts at an answer to that, but I don't know that they are necessarily terribly helpful. It is my personal view that there are a number of reasons for the double standard, one of which is that it is fairly clear to me that the way in which the Soviet Union conducts its foreign policy tends to frighten a good many other countries far more than the way in which we conduct our foreign policy, and I think we are doing ours the right way. But I think there is no question that a number of countries particularly amongst the developing world see the dangers of irritating the Soviet Union as leading to consequences that they would find unpleasant substantially more often than would be the case if they upset the United States. Yes, ma'am.

Q. That's right. What exactly has the United States done, I mean the United Nations done for the United States?

SENIOR ADMINISTRATION OFFICIAL. We are getting way off the President's visit. But you know, the basic point again is that it is our view that the United Nations does serve a worthwhile purpose because it permits countries to come together to debate. The United Nations has in fact put forces into a number of trouble spots around the world that have in fact helped to maintain the peace.

The United Nations is, for example, useful on the surprise issue, UNIFIL has made a difference in the past in Lebanon, the United Nations has served the purposes of peace on a number of occasions. That is not to say we are by any means wholly satisfied with his conduct . . .

Q. . . . your criticism of the double standard seems more aimed not so much at the United Nations as against the nonaligned block whose members generally vote the way you are criticizing.

My only question is, why doesn't the President make his views about this double standard known, not so much to the Secretary-General of the United Nations, but to Mrs. Gandhi?

SENIOR ADMINISTRATION OFFICIAL. I think you can ask that—well, you know, I don't think the President is going to ask Mrs. Gandhi to carry his water with a number of other States. I think you can assume that on occasion we will make it clear to those governments concerned that we are not enamored of their conduct.

Please, and I know I knew when I got here that the questions were going to focus on budget and so forth. Please understand that the President's trip to New York and the purpose of that trip is not by any means primarily to go up there and spend his time telling people about our unhappiness with double standards or the budget and so forth. He is going there to make a speech about major international issues and to try to put before the American people and the United Nations our view and some suggestions on how those issues ought to be dealt with.

I can't deny to you that the subject of the U.S. role within the United Nations and views of the United Nations is inevitably going to be a subject discussed up there, given the public discussion on that subject of the last week or so.

Yes?

Q. Specifically, what arms control issues is he going to take up in his UNGA speech?

SENIOR ADMINISTRATION OFFICIAL. Again, I don't want to get too specific until I have had a chance to look at a later draft of the speech. But by and large, I think it would be obvious. One is the strategic arms talks and another is clearly the intermediate-range nuclear force discussions in Geneva.

Q. Is that on background?

SENIOR ADMINISTRATION OFFICIAL. If you want me to go beyond that, you are going to have to wait a few days and listen to George Shultz on the subject.

Yes, ma'am?

Q. Can you tell us how the U.S. contribution to the United Nations has increased over the period that you cited?

SENIOR ADMINISTRATION OFFICIAL. Well, I will ask . . . —there have been substantial increases in the U.N. budget, both the general budget and in the specialized agencies and by the way, one of the areas where we are working the hardest is on holding down budget, real budget growth in the specialized agencies where our general policy in all of them has been to

argue strenuously for zero growth, zero growth in the specialized agencies.

We have not always succeeded in holding to that but we have, I think, held it down in a number of them, and if you are going to push me on the specifics and budget figures, I am going to have trouble here but we will be glad to try to get that all together for you.

. . . , do you have anything you want to add?

SENIOR ADMINISTRATION OFFICIAL. I don't think so. I might say the U.N. budget has grown three-fold over the past 10 years.

Q. You don't know what our contribution is?

SENIOR ADMINISTRATION OFFICIAL. 25 percent.

Q. It has grown 25 percent?

SENIOR ADMINISTRATION OFFICIAL. No.

Q. I know it is 25 percent. Would you tell us how our contribution to the United Nations has grown or not grown over the past few years?

SENIOR ADMINISTRATION OFFICIAL. It has grown in the same proportion.

SENIOR ADMINISTRATION OFFICIAL. If the budget has grown three-fold in the last 10 years, the U.S. contribution has grown three-fold in the last 10 years.

Q. That is not my question.

Q. Ours has grown .7 percent?

SENIOR ADMINISTRATION OFFICIAL. No.

Q. If the budget, if the 25 percent grows, if it is always 25 percent, and the U.N. budget grows a tenth of a percent, that our contribution grows seven-tenths of a percent; is that correct?

SENIOR ADMINISTRATION OFFICIAL. That is correct.

Q. Is that threefold in real terms?

SENIOR ADMINISTRATION OFFICIAL. No.

Q. What is it in real terms?

Q. Sir, what does that mean in money? You must know.

SENIOR ADMINISTRATION OFFICIAL. I don't know. I am sorry. I will be glad to get it for you.

Q. Why not?

SENIOR ADMINISTRATION OFFICIAL. Because I don't know, because I don't know, but we will be glad to get you the figures.

Q. Does the President regret the fact that the Soviet delegation will not be led by either foreign minister or head of government? Does he feel that will hinder his message on arms control getting through?

SENIOR ADMINISTRATION OFFICIAL. I haven't talked to the President about it but I would imagine his view of that is it is up to the Soviet Union to decide who they send. That is their business not ours.

Q. The Soviet Union will not be represented at this reception then, is that correct, because Gromyko is not going to be there?

SENIOR ADMINISTRATION OFFICIAL. I frankly don't know the answer to that. Have they been invited?

SENIOR ADMINISTRATION OFFICIAL. The invitation is to the head of state, head of government and the foreign minister. None of those are there—

SENIOR ADMINISTRATION OFFICIAL. They will not be present.

Q. Does the President feel neutral about that or do you think that the United States regrets that?

SENIOR ADMINISTRATION OFFICIAL. I think the view of those with whom I have spoken on the subject which, as I indicated, don't include the President is, we feel neutral on the subject. It is not a matter of great concern to us one way or the other.

Q. Has the Soviet Union ever contributed to the United Nations?

SENIOR ADMINISTRATION OFFICIAL. Yes.

Q. It is not a matter of concern to you whether the Soviets are headed by a top ranking official or not?

SENIOR ADMINISTRATION OFFICIAL. That is their choice to make.

Q. They don't bother—

SENIOR ADMINISTRATION OFFICIAL. That is their choice to make.

Q. Is the administration sad with Mrs. Gandhi's response to the Korean airliner shoot down?

SENIOR ADMINISTRATION OFFICIAL. I think that, I guess the best way to answer that question is to say that there are a number of countries that we would have wished were a bit more vociferous in their condemnation of that act and I wouldn't want to be any more specific than that.

Q. On the arms control part of the speech, without giving us any details, do you want to say for the Secretary, will the President tell us a little bit more about the new instructions to Mr. Nitze? [31]

SENIOR ADMINISTRATION OFFICIAL. I would not be surprised.

Q. Given the U.S. behavior on the Gromyko airplane episode, and Mr. Lichenstein's comments and the President's comments and the Senate vote and perhaps even your comments today about the displeasure of the way the votes have gone for the United States recently, is there, frankly, some need felt by the administration for the President to reassure the United Nations of the U.S. support?

SENIOR ADMINISTRATION OFFICIAL. In light of the comments over the last several weeks, and particularly the Senate vote, I guess I would say that it is probable, you know, I must say we haven't thought about it in the terms in which you have asked, but I have to say I think it is going to be important to make it clear that the United States continues to support the United Nations and continues, and this administration continues to believe in the budget it submitted to the Congress with regard to contributions to the United Nations. Yes, I think that is probably a fair statement.

Q. Is the United States concerned overall—what you seem to be saying earlier. Is the United States concerned about the influence of the Soviet Union and Soviet bloc countries that are now exercising in the United Nations? Is that a major concern now?

SENIOR ADMINISTRATION OFFICIAL. I don't know that it is a major concern. Obviously, it is a concern when in our view there is a tendency to apply a double standard. That has got to be a concern to us and because it is of concern to us we are talking about it publicly and we will be talking about it in New York. But, again, within the context of understanding we are talking as Ambassador Kirkpatrick said about the conduct of states within the United Nations, not in terms of the United Nations as an organization having a double standard. . . .

Q. Just to be a little more precise—

SENIOR ADMINISTRATION OFFICIAL. That is what I was afraid of.

Q. Is our support for the U.N. budget and our contribution, say, also extending to all the specialized agencies.

SENIOR ADMINISTRATION OFFICIAL. Yes.

Q. Specifically UNESCO?

SENIOR ADMINISTRATION OFFICIAL. You know, except as you know we are now in the process of reexamination of our role within UNESCO and I can't say what when that reexamination is completed will be our findings.

But what I am saying is our support for the U.N. system includes also support for the specialized agencies but with the qualification that we are going to look at the budgets of each of the specialized agencies, and make our decisions on how much if at all they ought to grow on the basis of what they do and how efficient we think they are and with the qualification that we are now looking at UNESCO as a specific institution and our judgments of our place in it.

Yes, Ma'am.

Q. Will the speech include anything new on START?

SENIOR ADMINISTRATION OFFICIAL. At this point, I want to hold that for the Secretary. The answer is I don't know yet exactly what it is going to say on START.

Q. On Cambodia—

SENIOR ADMINISTRATION OFFICIAL. Yes.

Q. There is a widely held belief in New York that all these comments about the United Nations and the flap about Lichen-

[31] President Reagan summarized Nitze's new instructions in his September 26 speech before the U.N. General Assembly.

stein and the Senate vote have in fact hurt American interests particularly in letting the President speak about U.S.-Soviet relations and focusing worldwide attention on Soviet behavior. Is what you are doing here this morning an attempt to really clear out the underbrush and get the focus back on Soviet behavior and KAL?

SENIOR ADMINISTRATION OFFICIAL. It is not what I am doing here this morning. You know, I did not come here surprised with the fact that I have talked about the United States in the United Nations more than I intended because that is what the questions have been about. But the purpose and that is why I said it earlier—the purpose of the President going to New York is not primarily or even secondarily to try to reassure people about the United States and the United Nations. It is to go there to speak about a range of international issues that are damned important and that need to be dealt with. Now I cannot say having said all of that that the issue won't come up. I am sure it will. And I have indicated to you that I think the President will himself raise it in his conversations with the Secretary-General.

Yes, sir?

Q. The double standard as you have mentioned it is not something new.

SENIOR ADMINISTRATION OFFICIAL. No. It is not. Somebody mentioned the last several years and I should have said it is not a new phenomenon.

Q. Is there a point in time where this double standard has increased or have you all just drawn the line with the KAL shootdown?

SENIOR ADMINISTRATION OFFICIAL. No. I think our judgment is that while it is a longstanding problem, it has gotten worse in the last, certainly in the last decade, and probably in the last few years. And I am not saying we have drawn a line but we are making it clear that we don't look with particular favor on the way in which things have gone. I think it is also fair to say that what has brought this to a head in terms of public discussion of late was the decision by Mr. Gromyko not to come to New York because he didn't want to get clobbered the way he had in Madrid [32] and his use of the issue of where he would land and what he would come in on as an excuse for not coming here. But I think that has drawn attention to the subject and I think, therefore, it is natural that the conversation, the discussions are going to center on this issue now.

It is what led to the Soviets saying what they said which led Ambassador Lichenstein saying what he said. But I think a triggering event has been this question of Gromyko coming to the United Nations.

. . . Let's take one more question.

SENIOR ADMINISTRATION OFFICIAL. One more question.

Yes, sir?

Q. Is the President going to make clear in some of these meetings in the United Nations that the United States will [support] [33] higher foreign aid to support the United Nations?

SENIOR ADMINISTRATION OFFICIAL. Not so far as I am aware, no.

Q. Or to their votes in the United Nations?

SENIOR ADMINISTRATION OFFICIAL. Not so far as I am aware. No.

Q. There seem to be many threats here.

THE PRESS. Thank you.

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[32] Reference is presumably to a September 8, 1983, meeting between Gromyko and Secretary Shultz, during which Shultz presented the U.S. position on the Soviet reaction to the KAL incident. Both Shultz and the Soviet Foreign Minister were in Madrid, Spain, to attend the conclusion of the Conference on Security and Cooperation in Europe. Regarding the September 8 meeting, see document 228.

[33] Brackets are in the source text.

Document 90

Proclamation by President Reagan, September 27, 1983 [34]

United Nations Day, 1983

The United Nations remains today—38 years after its creation—an institution

[34] Source: White House Press Release, September 27, 1983, Office of the Press Secretary *Continued*

uniquely endowed to promote international political, economic, social, and technical cooperation. Conceived during a brutal war and nurtured in a troubled peace, the United Nations has seen many of its shining promises realized, but many others have been frustrated. More often than the world community can afford, rivalries and divisions among states prompt abuse or misuse of the powers and machinery of the United Nations. Despite these imperfections, the system and its machinery continue to offer opportunities for mediating differences which threaten to erupt in hostilities; for arranging and overseeing agreements to end tensions or conflicts; for promoting the technical and scientific cooperation essential to meet problems of growth and development; and for coping with international emergencies of all kinds.

The people and the Government of the United States of America take pride in the support—moral, intellectual, political, and financial—which we have rendered to the United Nations, and in the leadership which we have provided to help bring about its foremost achievements. We also take pride in the knowledge that the principles of the United Nations charter are the same ones which underlie our liberty, our progress, and our development as a democratic society.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby designate Monday, October 24, 1983, as United Nations Day, and urge all Americans to better acquaint themselves with the activities and accomplishments of the United Nations.

I have appointed William M. Ellinghaus to serve as 1983 United States Chairman for United Nations Day, and I welcome the role of the United Nations Association of the United States of America in working with him to celebrate this special day.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-seventh day of September, in the year of our Lord nineteen hundred and eighty-three, and of the Independence of the United States of America the two hundred and eighth.

RONALD REAGAN

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to the President; also printed in *Weekly Compilation of Presidential Documents*, October 3, 1983, p. 1344. The proclamation, number 5105, was filed with the Office of the Federal Register at 2:59 p.m. on September 27, 1983.

Document 91

Statement by the Representative at the United Nations (Kirkpatrick) Before a Subcommittee of the House Foreign Affairs Committee, October 3, 1983 [35]

"Responsibility for Financing the United Nations"

Thank you very much.

I would like to say, as always, I am honored and pleased to appear before this subcommittee of Congress.

I believe very deeply in the important role of Congress in the formulation and the oversight of U.S. foreign policy.

I should like to make clear at the outset that I respect the institution in which I represent the United States, and have the highest regard for the integrity and skill of Secretary General Javier Perez de Cuellar and his principal lieutenants, and that I believe that effective U.S. participation in the United Nations is an important aspect of our foreign policy.

I also fully share the Congress' concern with the spiraling growth of the U.N. budget and bureaucracy, and the frustration and conviction expressed in the Senate's overwhelming vote, that the United States should not simply acquiesce in this seemingly uncontrolled process. [36]

The U.N. budget has nearly tripled in the last decade, during which inflation in the United States amounted to about 115 percent. And even in this statist age it is difficult to find a government whose bureaucracy has grown at rates that equal that of this U.N. bureaucracy during the last decade.

We in the Reagan administration have tried hard to slow this rampant growth. I believe that our predecessors also worked

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[35] Source: *The U.S. Role in the United Nations: Hearings Before the Subcommittee on Human Rights and International Organizations of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1984), pp. 51–56.

[36] See footnote 26 above.

hard to control the growth of the U.N. budget.

I believe that Secretary General de Cuellar is working hard on this problem.

He has, in fact, undertaken a major economy campaign which may bear fruit this year, but none of our efforts could have reasonably been called successful as of the end of the fiscal year 1983. The budget continued to grow, and at a very unacceptable rate.

Now, various factors I believe are involved in that growth of the U.N. budget. One certainly is worldwide inflation; another, and a very important one to take into account, is the increasing peacekeeping operation of the United Nations. About one-third of the U.S. assessment is spent for peacekeeping. Each of these have played their role, but fundamentally the problems of U.N. budget growth are structural. They derive from the fact that the budget is finally determined by a majority of members that can add on and on and on without themselves incurring the brunt of the additional costs.

Specifically 85 member states of the 157 total membership in the last fiscal year—we now have 158 with the addition of St. Christopher-Nevis, but 85 of that 157 pay a total of only 1.75 percent of the budget, while the United States, which pays 25 percent, has only 1/157th of the decisionmaking power, or we can say the Soviet Union, which pays 14 percent, has 1/157th of the decisionmaking power.

Responsibility for financing the United Nations is thus, in effect, vested in a very small minority of its richest and most powerful members, while authority to control the budget lies with the voting majority.

From this distribution, this disjunction of power and responsibility flows the fact that those countries who have the votes don't pay the bills, while those who pay the bills don't have the votes.

Last year's experiences seem to be a case study that illustrates the problem and its tenacity.

We need to be aware, first, that the process of budgetmaking features input from the various sections of the U.N. Secretariat, which the Secretary General requests some 18 months in advance of his own recommendations. He gets input from the General Assembly in the form of resolutions which mandate new activities, review by the Advisory Committee on Administrative and Budgetary Questions, review by the Committee for Programs and Coordination, review by the Fifth Committee of the General Assembly, and then by the Plenary.

At the very beginning of this administration's term, in April 1981, we secured the agreement of the so-called Geneva Group, that is, Western-oriented donors contributing 10 percent or more to the budgets of the specialized agencies, that for the first half of the 1980's, real budgetary growth should be zero, with the understanding that some of the cost increases due to inflation and exchange rate losses would have to be absorbed. [37]

We collaborated as well with the U.S.S.R. which shares our concern with controlling costs. Demarches were made to the heads of the major U.N. agencies, stressing that priorities must be established and that marginal or obsolete programs must be terminated.

At the 37th General Assembly, we confronted head on the problem of add-ons. We, the United States, demanded a vote wherever and whenever a financial resolution had financial implications and voted against all resolutions and decisions which increased the U.N. budget without offsetting economies, unless there was some compelling political, humanitarian, or fiscal reason to the contrary.

There is not much doubt our campaign encouraged more attention to priorities and gave added urgency to the determination of Secretary General Perez de Cuellar to control too rapid budget growth.

In sending out his guidelines for the 1984–85 biennium, the Secretary General stressed that maximum fiscal restraint was required of all elements. [38]

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[37] The text of the April 1981 Geneva Group agreement on budgetary management in international organizations was not published. The Geneva Group comprises the Governments of Australia, Belgium, Canada, France, the Federal Republic of Germany, Italy, Japan, the Netherlands, Switzerland, the United Kingdom, and the United States. All were party to the agreement.

[38] The guidelines, issued in August 1982, were distributed internally within the United Nations, and were not published. Peréz de Cuéllar

Continued

All submissions of the several U.N. departments and agencies are now examined by a Program Planning and Budgeting Board, of which Perez himself is the Chairman.

The new Board also monitors and evaluates the functioning of the Secretariat itself.

I may say that I regard this move by the Secretary General as a very important and promising one.

In addition, in August Secretary General Perez de Cuellar commissioned a separate study of the Secretariat, its management systems and techniques, and such questions as staffing pattern, simplification of procedures, delegation of authority, and so forth.

The report is due early in 1984. [39]

The Secretary General and his principal associates have written to assure me he will undertake special measures and studies to streamline, modernize, and reduce costs in areas of U.N. functioning, such as travel, telecommunications, and the preparation and production of documents.

He is determined, he assures me, to bring under control the portions of the budget susceptible to his control.

I have included in an appendix a memorandum which the Secretariat provided to me on measures which they have taken, since the tenure of the new Secretary General began in January 1982, to enhance the efficiency of the United Nations. [40]

In the last fiscal year, neither our efforts nor those of all those with whom we work, including the United Kingdom and the Soviet Union, Japan, West Germany, and Israel and the Solomon Islands, and so forth, none of us voted for the budget.

The final vote was 120 for the budget, 15 opposed, and 6 abstentions.

Taken together, the 120 nations who voted for the budget probably contribute no more than 15 to 20 percent, or less than that, of the total assessed budget.

There is no escaping the fact that our efforts have not been successful.

Nor is there any escaping the fact that salaries and fringe benefits of U.N. employees are high compared to those of United States and other governments and continue to rise; that conferences proliferate, and costs continue to increase.

We cannot guarantee either that the efforts of the Secretariat or of the United States and the other nations that share our concern will achieve the desired results because effective control over the budget is vested in and exercised by a solid majority whose members, 88 countries, pay less than 2 percent of the budget.

The result last year is typical. Not 1 of the top 10 contributing countries—whose combined contributions pay some 75 percent of the U.N. expenses—voted for the budget.

Either they voted against or they abstained. Obviously they were dissatisfied.

Fourteen of the top 15 contributors whose combined contributions comprise some 85 percent of the budget either voted against or abstained.

What can the U.S. Congress do in this situation to control the costs to us, and to insure that international organizations which we help finance, operate on a basis of responsible budgetary restraint?

I believe this question is important and urgent. The initiative of Senator Kassebaum and her colleagues offers one approach to this question.

In discussing the question and possible approaches to it, I desire to make three points:

First the U.S. Government has total control over its voluntary contributions to the U.N. specialized agencies. Those voluntary contributions exceed the assessed contributions.

Second, although this is a controversial subject, I desire to make clear that I do not believe the U.S. treaty obligation to contribute 25 percent of the assessed budget is absolute.

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summarized some of the points from the guidelines in his foreword to *Proposed Program Budget for the Biennium 1984–1985*. For text, see volume I of U.N. document A/38/6.

[39] The report on the U.N. Secretariat was not issued at the time of publication.

[40] For text, see *The U.S. Role in the United Nations*, p. 60.

It is sometimes argued that as signatories to the treaty, we assume an absolute legal obligation to pay the assessed share of the budget; it seems to me, after consultation and reflection, that this obligation is real, substantial, and serious, but also that it is not absolute.

It exists as part of a web of obligations, some of which are vested in other members, and some in the organization. It is integrally linked to understandings about the functions of this organization and the purposes to which the contributions will be devoted.

Moreover, 30 countries withhold, as a matter of announced policy, portions of their assessed budgets and incur no penalties. I have included an appendix which states the estimated cumulative withholding by U.N. member states as a matter of announced policy. [41]

I do not suggest the United States should take lightly the obligation to pay its assessed share of the budget. This is a serious, but not, in my opinion, an absolute obligation. To be sure, Article 17 of the U.N. Charter requires member states to pay their share of the U.N. budget as assessed by the General Assembly. We should not assume, however, that any expense apportioned by the General Assembly is automatically valid.

To create collective obligations to pay, the expense must be legitimate.

As you know, Congress has for a number of years required that the United States withhold the pro rata share of its assessed and voluntary contributions which go either to the two U.N. committees on Palestinian rights or which go to support U.N. activities on behalf of the P.L.O., Cuba, or SWAPO.

In each of these instances, we have deemed the activities of these entities to be in contravention of the basic principles and purposes of the U.N. Charter and, accordingly, have withheld payment.

For related reasons, President Reagan announced last year that the United States would withhold from its assessed U.N. contribution our share of the expenses associated with implementation of the Law of the Sea Treaty, which we determined to not properly be subject to assessment. [42]

As I have already said, 30 countries already withhold parts of their U.N. assessments for activities they deem improper. The largest withholding by far has occurred by the Soviet bloc states which have withheld more than $260 million.

Almost all of this withholding has been from U.N. peacekeeping operations. This withholding has been determined by the International Court of Justice, in the *Certain Expenses* case of 1962, [43] to be in clear contravention of the U.N. Charter since peacekeeping operations are an essential and thus permissible U.N. activity tied to the U.N. primary purpose of maintaining international peace and security.

This is in marked contrast to the withholding patterns of other states, including the U.S., where the legitimacy of the activity not supported is open to serious question and where no adverse ICJ ruling exists.

In this context, U.S. withholding in protest would not constitute a deviation from our traditional support for the principles of collective financial responsibility for legitimate U.N. expenses. Nor does such limited selective withholding damage the fiscal order of the U.N. by encouraging other nations to engage in selective withholding. They already are doing that and began long before the U.S., pursuant to congressional directives, started to engage in this practice.

Because withholding for legitimate U.N. expenses had by 1965 become a way of life for the Soviet bloc, the U.S. at that time announced, with the full knowledge and acquiescence of Congress, what has come to be known as the Goldberg Reservation. [44]

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[41] Printed *ibid.*, pp. 61–62.

[42] For text of President Reagan's December 30, 1982, statement, see *American Foreign Policy: Current Documents, 1982*, p. 364.

[43] Regarding this case, see *Certain Expenses of the United Nations (Article 17, Paragraph 2, of the Charter)*, Advisory Opinion, July 20, 1962, ICJ Reports (1962) 151.

[44] Reference is to an August 16, 1965, statement made by the Representative at the United Nations, Arthur J. Goldberg, in the Special Committee of the U.N. General Assembly on Peacekeeping Operations. For text, see Department of State *Bulletin*, September 13, 1965, pp. 454–457.

That declaration reserves for the U.S. the right to follow the practices of others in selective withholding.

As stated by Ambassador Goldberg in 1965:

"... if any member can insist on making an exception to the principle of collective financial responsibility with respect to certain activities of the organization, the U.S. reserves the same option to make exceptions to the principles of collective financial responsibility if, in our view, strong and compelling reasons exist for doing so. There can be no double standard among the members of the organization."

Justice Goldberg, in response to a recent inquiry from me—at the time, the Law of the Sea Preparatory Conference was under consideration—wrote that it was his considered conclusion that:

"... there can be no question that under the Goldberg Reservation the U.S. reserves the right to withhold assessments for U.N. activities which, in our opinion, do not serve our national purpose."

I may say that is a Goldberg corollary, not a Kirkpatrick corollary.

The third point I would like to make. I would encourage the Congress, in its desire to exercise greater control over U.S. contributions and expenditures, to distinguish between U.N. operations and programs which U.S. taxpayers support and those they do not.

We should set priorities and make choices in ways that favor programs which are consistent with our values, and that favor agencies which pursue the purposes for which they were established.

We should penalize those which, because of politicization and/or inefficiency, have strayed from their legitimate purposes and tasks.

We might, for example, reasonably decide to register firmly through fiscal means, our profound disapproval of UNESCO, which has succumbed to politicization, which creates obstacles to a free press instead of promoting free exchange of information, discriminates against one of its members, Israel, and which is utterly indifferent to principles of fiscal restraint and good management.

It seems to me to be undesirable to impose identical cuts on the Secretariat as a whole when the Secretary General has undertaken a major effort to bring expenses under control and to enhance efficiency, or on the World Health Organization, which practices sound management and whose ongoing contributions to eradicating disease are well known.

In thinking about cuts, we should also distinguish between discretionary items in the assessed budget, such as the number of employees and their salary levels, and nondiscretionary items such as peacekeeping activities.

While we might want to reduce, perhaps even drastically reduce or eliminate entirely, our contributions to one agency, we might well want to expand the other.

Congress oversight responsibilities vis-à-vis U.S. funding of the U.N. requires constant vigilance of all U.N. activities, whether funded through our assessed or voluntary contributions, to determine their compatibility with the fundamental objectives and principles of the U.N. Charter.

Let me say that this administration's commitment to working inside the U.N. to achieve those fundamental objectives and principles of the U.N. Charter has been repeatedly reaffirmed.

However, since our voluntary contributions exceed our assessed contributions and as there are no binding restraints regarding such contributions, I recommend that if Congress is concerned principally about economy, it makes sense to start there, and afterward to move agency by agency through the assessed contributions.

In this regard I would like to respectfully suggest to this committee, as I have done in the past in testimony before other congressional committees, that the U.S. consider adopting the practice of many other large voluntary contributors of earmarking our funds to specific agencies and for specific projects.

Thus we would reward the specialized agencies which do work of which we approve and discontinue or reduce our funding of agencies which engage in practices we do not endorse.

In conclusion, I want to stress how deeply I believe in the importance of closer congressional oversight. By working cooperatively together, I think we both can better fulfill our own responsibilities.

Thank you, Mr. Chairman. [45]

Document 92

Statement Read by the Department of State Spokesman (Hughes), October 19, 1983 [46]

Israel's Right To Participate in the United Nations

Finally, a statement on the possibility of a challenge to Israeli credentials at the United Nations. The Credentials Committee of the U.N. General Assembly makes its report to the Assembly tomorrow. [47] Last year, a challenge was made to Israel's credentials. We do not yet know whether any delegation will attempt similar action tomorrow, but if this occurs, the United States will oppose it with all available diplomatic resources.

The United States has always made clear that any attack on Israel's right to participate in any United Nations organization, if successful, would have grave consequences for our own continued participation and support.

As Secretary Shultz stated on October 16, 1982, [48] if Israel were excluded from the General Assembly, the United States would withdraw from participation in the General Assembly and would withhold payments to the United Nations until Israel's right to participate was restored.

This policy reflects the strong sentiment of all elements of the U.S. Government, and the Congress expressed the same sentiment in a concurrent resolution last December. [49]

Document 93

Letter From the Secretary of State (Shultz) to the Director General of the U.N. Educational, Scientific and Cultural Organization (M'Bow), December 28, 1983 [50]

U.S. Intentions To Withdraw From UNESCO

DEAR MR. DIRECTOR GENERAL: The purpose of this letter is to notify you, in accordance with Article II, paragraph 6 of the Constitution, that the United States will withdraw from the United Nations Educational, Scientific and Cultural Organization effective December 31, 1984.

You may be assured that the United States will seek to meet fully all of its legitimate financial obligations to the Organization on the date its withdrawal takes effect.

The Government of the United States, along with the American people generally, believe in the principles enunciated in the Constitution of UNESCO. Today, as in the early years of the Organization, these principles summon us to a commitment of effort—and resources—in the interest of building a stable and enduring framework for peace in the world. Today, as in the early years, we believe that education, science, culture and communication are essential elements in building a peaceful world.

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[45] Gus Yatron, Chairman of the Subcommittee on Human Rights and International Organizations.

[46] Source: Office of Press Relations, Department of State. The statement was read at the Department of State Daily Press Briefing held at 12:28 p.m.

[47] For text, see U.N. document A/38/508.

[48] For text, see *American Foreign Policy: Current Documents, 1982*, p. 324.

[49] Reference is to House Concurrent Resolution 322, which passed the House of Representatives on May 12, 1982, and the Senate on December 1, 1982. For text, see *Congressional Record*, May 10, 1982, p. H1943. Much of the same language was included in Section 115(a) of the Department of State Authorization Act, Fiscal Years 1984 and 1985. For the text of the act, which was approved as P.L. 98-164 on November 22, 1983, see 97 Stat. 1017.

[50] Source: Department of State files; printed also in Department of State *Bulletin*, February 1984, pp. 41–42. Ambassador Jean Broward Shevlin Gerard, Representative to UNESCO, delivered the letter to M'Bow in Paris on December 28, 1983.

While the United States continues to devote substantial resources to the attainment of these goals, it must choose carefully the precise methods and means through which these resources are to be used. There are many groups and organizations whose purposes we approve, but which are not effective at carrying out the kind of international cooperation that will contribute to the making of a peaceful world.

For a number of years, as you know from statements we have made at the Executive Board and elsewhere, we have been concerned that trends in the policy, ideological emphasis, budget and management of UNESCO were detracting from the Organization's effectiveness. We believe these trends have led UNESCO away from the original principles of its constitution. We feel that they have served the political purposes of member states, rather than the international vocation of UNESCO. We have worked energetically to encourage the Organization to reverse these trends; to redirect itself to its founding purposes; to rigorously avoid becoming a servant of one or another national policy; and to manage itself in a way that rewarded efficiency, promoted fearless program evaluation, and followed priorities based on program value rather than on past habit, political expediency, or some other extraneous consideration.

Many of these efforts, yours and ours, have been productive, at least in relative terms. The results of the recent General Conference prove the point, and we appreciate the role you played in the outcome of that Conference.[51]

Viewed in a larger sense, however, the General Conference proves a different point: if the results of the conference demonstrate the *best* that can be expected from the Organization as it is presently constituted, and as it presently governs itself, there can be little hope for a genuine and wholehearted return of the Organization to its founding principle.

For the United States, that conclusion has become inescapable. The responsibility to act upon it is equally inescapable.

You, Mr. Director General, have our esteem, our appreciation, and our pledge of the fullest cooperation to make the year intervening between this letter and the date of our withdrawal as harmonious as possible. We recognize that you will continue to do your best, in the difficult circumstances in which you operate, to make UNESCO activities productive and relevant to the unmet needs of the world.

For our part, we are convinced that we can develop other means of cooperation in education, science, culture and communication, which will more clearly embody the principles to which we subscribed in UNESCO many years ago. We are convinced that such cooperation need not be diminished by the injection of political goals beyond the scope of the cooperative enterprise, and that its authority need not be weakened through the compromise of such goals as individual human rights and the free flow of information. It may yet be appreciated that our shared aims could have been accomplished through attention to the principle that a few things done well have more impact than a superficial examination of all the world's ills.

We plan to use the resources we presently devote to UNESCO to support such other means of cooperation. Any alternative programs which the U.S. develops could, in principle, serve as a basis for future cooperation between the U.S. and UNESCO, should both parties find that advantageous. We would be pleased to consider that possibility at the appropriate time.

Sincerely yours,

GEORGE P. SHULTZ

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[51] Reference is to the 22d UNESCO General Conference, held in Paris from October 25 to November 26, 1983. No summary record of the conference proceedings was issued.

Document 94

Letter From the Secretary of State (Shultz) to the Secretary-General of the United Nations (Perez de Cuellar), Undated [52]

"Our Withdrawal From UNESCO Does Not Presage Any Wider Disengagement From the United Nations or Its Other Specialized Agencies"

DEAR MR. SECRETARY GENERAL: We are delivering to the Director General of the United Nations Educational, Scientific and Cultural Organization a letter giving notice that the United States will withdraw from the organization, effective December 31, 1984. [53]

While the decision to withdraw from UNESCO is firm, we will remain a full member during 1984, paying our financial obligations. This year will give UNESCO a potential opportunity to respond to the serious concerns that have caused our withdrawal. We remain open to indications of significant improvement. We would, of course, welcome meaningful changes that would eliminate the suppression of minority views within UNESCO, and restore fiscal integrity to the organization.

We wish you to understand that our withdrawal from UNESCO does not presage any wider disengagement from the United Nations or its other specialized agencies. On the contrary, as President Reagan made clear at the General Assembly last September, [54] the United States is deeply attached to the principle that genuine international cooperation is essential to our shared purposes in the world, and to the attainment of peaceful progress for all.

As you are aware, the United States has been concerned for many years over a growing tendency on the part of UNESCO to depart from the principles upon which it was founded, and the purposes which it was originally called upon to fulfill. For several years, we have been working actively with other countries to reverse this unacceptable trend. Some progress has been made toward this end, but we have concluded, with regret, that under present circumstances we can no longer justify continuing United States membership in UNESCO.

For our part, we are convinced that we can develop other means of cooperation in education, science and culture and communication, which will more clearly embody the principles to which we subscribed in UNESCO many years ago. We plan to use the resources we presently devote to UNESCO to support such other means of cooperation.

In all your activity to promote the cause of international cooperation, we wish you well.

Sincerely yours,

GEORGE P. SHULTZ

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[52] Source: Department of State files; printed also in Department of State *Bulletin*, February 1984, p. 42. The letter was delivered to Pérez de Cuéllar at the United Nations in New York on December 29, 1983.

[53] *Supra.*

[54] See document 4.

Chapter 7. Oceans and Environmental and Scientific Affairs

A. General

Document 95

Statement by the Administrator of the National Aeronautics and Space Administration (Beggs) Before a Subcommittee of the House Foreign Affairs Committee, February 22, 1983 [1]

U.S. Accomplishments at UNISPACE 1982

Mr. Chairman, members of the subcommittee, it is a pleasure to appear today to testify about the participation of the United States at the Second United Nations Conference on the Exploration and Peaceful Uses of Outer Space, or UNISPACE 1982, as submitted to the Secretary of State on September 30, 1982; [2] the opening statement of the U.S. delegation before UNISPACE; [3] and a U.N. document describing the initiatives announced by the United States during the conference. [4] In addition to these documents, my testimony before this subcommittee on July 28, 1982, included a detailed description of the U.S. preparations for UNISPACE. [5]

I will not try to provide an exhaustive summary of the background of the Conference and the results of the U.S. participation at UNISPACE, as this is already described in several documents which I am providing for the record. These include the final U.S. delegation report.

Today, I will focus my remarks on some aspects of our participation which I thought would be of particular interest to this subcommittee. These aspects include the nature of U.S. Government and private industry cooperation relating to UNISPACE, a report on the status of some of the U.S. initiatives announced at the Conference, and my impressions about some of the less visible aspects of U.S. participation in such major international conferences as UNISPACE. As one of the themes of today's hearings is international communications, I will begin my testimony by briefly reviewing the outcome of some of the debates on space communications issues which took place at UNISPACE.

Throughout our preparations, we were in close contact with officials in several Government agencies who were working on preparations for forthcoming meetings of the International Telecommunication Union [ITU]. [6] An effort was made to discuss both organizational questions as well as substantive issues to insure consistency and strength in U.S. positions. Ambassador Gardner and I met prior to UNISPACE to exchange views, and he was able to spend 3 days at UNISPACE in order to observe the work of the U.S. delegation and to establish contacts with foreign delegates.

The future use of the geostationary orbit and the radio frequency spectrum for space communications was one of the major issues at UNISPACE. This issue is of great importance to the United States because of the technical and economic interests involved. The debate on this issue revolved around language in the final con-

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[1] Source: *Oversight of the UNISPACE and International Telecommunications Union Conference: Hearing Before the Subcommittee on International Operations of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session,* (Washington,1983), pp. 38–43.

[2] The second U.N. Conference on the Peaceful Uses of Outer Space (UNISPACE 82), held in Vienna, Austria, August 9–21, 1982, was attended by representatives from 94 countries.

[3] Ambassador James M. Beggs, head of the U.S. delegation, and also Administrator of the National Aeronautics and Space Administration, addressed the Conference on August 10, 1982. For text of his statement, see *American Foreign Policy, Current Documents, 1982,* p. 345.

[4] U.N. General Assembly Resolution 37/90, adopted without a vote on December 10, 1982.

[5] For text of Beggs' July 28, 1982, testimony, see *Oversight of the UNISPACE Conference: Hearing Before the Subcommittee on International Operations of the Committee on Foreign Affairs, House of Representatives, Ninety-seventh Congress, Second Session* (Washington, 1982), pp. 1–13.

[6] Brackets are in the source text.

ference report relating to the efficient use of the geostationary orbit. Both prior to and during UNISPACE, many developing countries repeated their demands that their interests relating to the geostationary orbit and radio frequency spectrum should be specially provided for through the regulations of the radio spectrum and the allocation of slots through *a priori* planning. A few countries even reasserted claims of sovereignty over portions of the orbit. It was clear during the preparatory process and at the conference that some countries viewed UNISPACE as an opportunity to provide radical positions on some issues which would be taken up later at decisionmaking conferences of the ITU or other international organizations.

The United States strongly resisted efforts to prejudge consideration of telecommunications issues which are more properly considered at conferences of the ITU, in particular, the plenipotentiary, the 1983 Regional Administrative Radio Conference on Direct Broadcast Satellites in Region 2, and the World Administrative Radio Conference on Space to be held in 1985 and 1987. While supporting access by all countries to the geostationary orbit and radio frequency spectrum and encouraging attention by the international community to the future needs of developing countries in the use of these resources, we rejected the claims of sovereignty and the idea of *a priori* regulation as a counterproductive and, in many respects, discriminatory approach to utilizing the orbit and spectrum resources. We focused our presentations on describing the potential of technological advances in helping to alleviate concerns about crowding in the frequency spectrum, and reiterated our support for rational management of these resources as opposed to inflexible planning.

In the months preceding the Conference, the United States, through its diplomatic posts overseas, held an extensive series of bilateral consultations with many countries to explain our positions on all of the issues, including those relating to space communications. In our national paper, our statements during the Conference and through our national exhibition and demonstrations, we emphasized that advances in technology and vigorous research and development programs were leading to dramatic improvements in space communications. We also stressed that continued advances unconstrained by rigid international regulations would provide the most promise for greater access by all countries to valuable communications resources. In response to a suggestion by Congressman Brown during the July 28 hearings, a slide show on the keys to growth in communication satellite technology was prepared by NASA especially for UNISPACE, and was shown to selected delegates throughout the Conference. It was also used during the plenipotentiary.

Mr. Chairman, after arduous debate in formal committee sessions and many hallway discussions, consensus was reached on language in the Conference report which was compatible with vital U.S. technical and economic interests while acknowledging the special concerns of many developing countries about their future access to the radio frequency spectrum and the geostationary orbit. The debate at UNISPACE makes it clear, however, that demands for regulation of these resources are here to stay and will be presented at upcoming ITU conferences where important decisions regarding the future of space communications will be made. However, I believe Ambassador Gardner, who ably represented the United States at the ITU plenipotentiary, is in a better position than I to speak to this important question.

I would like to turn to the subject of U.S. Government and private industry cooperation in respect to UNISPACE. This is an area that should be highlighted because it was a unique and, in some respects, an experimental aspect of U.S. participation at the Conference. Although this was not a complete success story, as many of the industry representatives became involved late in the preparatory process, the presence on the U.S. delegation of eight top level executives from U.S. industry combined with prominent officials from Congress, the executive branch and academia contributed to an outstanding delegation representing a cross-section of persons involved in space activities. The involvement of representatives from many of our largest aerospace firms at a time of growing international competition exemplified the strong relationship of industry and Government in the U.S. civil space program. At UNISPACE, these individuals provided valuable counsel to the other delegates and availed themselves of the opportunity to interact and establish contacts with decisionmakers from around the world.

The leading role of the U.S. industry in space was also demonstrated in the outstanding Government/industry technological exhibition at UNISPACE. This impressive display, which would not have been possible without the enthusiastic participation of 11 private companies and several Government agencies, attracted nearly 200,000 visitors during the 2 weeks it was open, and was judged by many to have been the best among the 25 exhibitions staged. A high quality exhibition was a vital element of our overall presence at UNISPACE because, as anticipated, the Europeans and the U.S.S.R. staged impressive technological exhibitions as well.

In addition to the national exhibition, industry and Government worked together in support of a series of technological demonstrations staged for UNISPACE. Through the auspices of the Communications Satellite Corp., the United Nations was able to establish a dedicated satellite communications link between the Conference site and U.N. Headquarters in New York City. This link was used successfully to demonstrate remote interpretation services and remote translation of Conference documents. Another demonstration which received much positive attention was a display of communication peripheral equipment in a demonstration of the U.S. Agency for International Development's rural satellite program, which aims to demonstrate the use of satellite communications in remote areas of developing countries. The demonstration would not have been possible without the support of private companies which contributed personnel and hardware.

Much was learned from this experience in Government/industry cooperation at UNISPACE. The great lesson may be that we are underestimating the importance which industry may attach to such conferences as UNISPACE and the amount of support they are willing to provide in insuring that the United States represents itself appropriately, and thereby protects interests vital to both the public and private sectors.

In discussing the U.S. initiatives, I should begin by noting that out of the some 94 delegations represented at the Conference, the United States was the only one to propose a series of specific initiatives formulated to assist developing countries to benefit from the practical applications of outer space technology.

I would like to briefly report on the status of several of these initiatives. For a detailed description of all eight initiatives, please refer to the document on the matter which I have submitted for the record.

At UNISPACE, I announced that the United States would be discussing a global habitability concept with other Governments and international institutions in the months ahead. Global habitability is a research concept to investigate long-term physical, chemical, and biological trends and changes in the Earth's environment, including its atmosphere, land masses, and oceans. A global habitability program approach is currently under study within NASA. To assist in this effort, NASA has enlisted the aid of a number of scientists from the university community and from other research agencies. NASA is beginning discussions with several U.S. Government agencies with a view to exploring the means of coordinating research efforts that will effectively utilize the U.S. global space capability. Following this coordination, we will be in a position to discuss our proposed efforts with prospective foreign and international agency partners. In the latter regard, I should point out the already extensive ongoing international bilateral involvement that the United States has with other countries in Earth science research areas.

In the area of using space technology for disaster relief, planning is beginning for a 5-day international conference in the spring of 1984 on the application of space technologies for disaster monitoring and early warning. This Conference, which will be sponsored by the U.S. AID Office of Foreign Disaster Assistance, will consider how satellite-based data and communication systems can be of assistance in such areas as global drought assessment, and providing early warnings of famine and severe storms. Current operational systems, systems under development and future applicable technologies would be examined.

To assist countries in the area of land remote sensing, the United States presented Landsat data indexes to each country in attendance at UNISPACE. These indexes, which were produced especially for UNISPACE, contain listings of the highest quality available data collected by Landsats 1, 2, and 3 during their 10 years of operation and are referenced to the new

worldwide reference system maps developed by the U.S. Geological Survey. We hope that these indexes will be useful in helping countries take full advantage of the vast holdings of the EROS Data Center. The United States also distributed copies of the first image developed using data from the thematic mapper aboard the Landsat 4 satellite which was launched just prior to UNISPACE. In addition, a special lecture on Landsat 4 was given during the Conference. Great interest was expressed in the future uses of thematic mapper data, the quality of which has already far exceeded our expectations, and we look forward to the use of this data by many countries.

On February 4–5, 1983, NASA and Columbia University sponsored the first intergovernmental meeting of space technology experts on the Columbia University campus in New York City. The purpose of this meeting, which was announced during UNISPACE, was to provide a forum where senior governmental officials involved in space programs, from both developed and developing countries, could exchange information on recent developments and future plans in space science, Earth sciences, land remote sensing, satellite communications, and cooperative opportunities for developing countries. Presentations were given by 39 prominent experts in these fields from around the world. The meeting was attended by nearly 100 representatives from some 40 countries and international organizations.

The results of this meeting were very encouraging as the feedback received from many of the participants has been quite positive. I believe that we will continue to have such meetings of space technology experts, perhaps on an annual basis.

Although it may not always be in our interest to develop initiatives for every international conference we attend, our positive experience thus far with the initiatives developed for UNISPACE indicates that it is important to at least consider initiatives when preparing for any conference at which U.S. interests might be at stake. Because initiatives usually involve budgetary implications, the process of considering initiatives should begin well in advance of the actual conference. Concern about budgetary constraints, however, should not be allowed to hamper the creative thought process as constructive initiatives may be possible with relatively small amounts of money. I think our experience with the Landsat Data Indexes and the Columbia University meeting bears this out. The area of communications could be particularly fruitful for U.S. initiatives as evidenced by the tremendous interest among developing countries and the impressive response to such recent initiatives as the Telecommunications Training Institute developed by Ambassador Gardner for the Plenipotentiary.

In addition to the U.S. initiatives, formal work on implementing the recommendations of the Conference is taking place in the U.N. Outer Space Committee.

Before closing, I would like to share my views with you on another aspect of international conferences such as UNISPACE which is often overlooked. It seems that international conferences, particularly those sponsored by the United Nations, are usually rather unwieldy undertakings, characterized by political posturing and stylized debate and rhetoric. Progress on issues is often slow, and U.N. conferences often appear to be threatening to U.S. interests and short on substantive results. It is nonetheless clear that a strong and positive U.S. presence at international gatherings such as UNISPACE is vital. This participation also is an opportunity to meet both formally and informally with decisionmakers from around the world. Not only are personal relationships established and improved, but frank and informal discussions of mutual problems in relations and opportunities for cooperation are possible. At UNISPACE, members of this U.S. delegation and I benefited greatly from the tremendous amount of face-to-face communication at very senior levels which was able to take place. I personally engaged in a number of bilateral discussions with my counterparts from other countries and international organizations. I believe the fruits of these contacts will be evident in NASA's future cooperative programs.

In closing, I would like to state my firm conviction that the United States accomplished its objectives at UNISPACE. These were to demonstrate U.S. leadership in the peaceful uses of outer space, emphasize the openness of our programs to international cooperation, underscore U.S. leadership in developing space technology of practical benefit to all people, and confirm our willingness to share these benefits with the world community.

Many contentious issues remain, but the experience at UNISPACE where the 94 countries attending were able to reach consensus on a document containing over 400 paragraphs covering the breadth and depth of mankinds' activities in outer space shows that we can be a full and positive participant without adversely affecting our interests.

Finally, I would like to refer to the just completed Office of Technology Assessment report on UNISPACE. I have only had a brief opportunity to review it. My overall impression is that it makes some valuable points. Assessments of this nature can provide useful insights to help guide the Government toward improving its participation in international conferences.

Document 96

Address by the Administrator of the Agency for International Development (McPherson) Before the World Wildlife Fund, March 7, 1983 [7]

U.S. Commitment to Conservation and the Role of the Environmental Community

Good evening. Tonight, there are two messages I want to bring you.

First, the environmental issues are important to me and have been given considerable emphasis and visibility within AID. We have put substantial resources into environmentally-related programs and will continue to do so in the future.

And, secondly, I would like to see the environmental community become one of AID's constituencies—and I am going to do my best to convince you of our sincere interest tonight.

We need your ideas on the kinds of programs we should be initiating and I look forward to your ideas.

Our program which provides environmental-related assistance to others really only began a few years ago. Since then the assistance level has risen to approximately $125 million a year, a significant amount indeed. With the increased emphasis I have in mind this number may increase.

This $125 million generally covers four areas relating to environmental issues: institution building, education, conservation and land management, and reforestation and fuelwood programs. Other activities of some size are in the area of water and wastewater, conservation of agricultural waters, and environmental health. Our environmental policy is tied to achievement of other objectives, such as energy and pesticides.

But one of the biggest areas of growth in our environmental activities over the last few years has been strengthening institutions. This key element is helping developing countries to better understand and to manage their own environment. Environmental assessments are part of this institution-building process:

—The best known assessment project is that of the Mahaweli Basin in Sri Lanka where we were asked to carry out the assessment for the entire basin development. This was done by the engineering firms of TAMS. It will be an important part of an environmentally sound plan.

—A similar assessment is being undertaken in the Gambia River Basin development which includes a low head dam, funded by others, which will bring about the loss of some 30,000 acres of mangroves. The assessment is being carried out by Michigan State University's Center for Research in Economic Development.

—In Peru, we carried out a more quickly prepared environmental assessment in the Pichis Palcazu in the high jungle area which the government wished to develop for agriculture.

I'm sure that most of you were aware of Dr. Gentry's work before the January issue of the *National Geographic Magazine*, which introduced his work to the general public. What you may not have known about is that AID was funding some of his valuable work. We are currently funding some investigations in the high jungle of Peru by Dr. Alwyn Gentry of the Missouri Botanical Gardens to identify and collect species.

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[7] Source: Department of State files. McPherson addressed the group in Washington.

Dr. Gentry has identified a vine whose seeds, when dry, burn with a clear blue flame and could possibly be a substitute for kerosene or charcoal. In the Huallaga Valley in Peru, Dr. Gentry has also located an isolated population of a tree species whose bark is regarded as a possible cure for cancer. The chemical makeup of this bark is under study at the University of Illinois. In addition we have helped the World Wildlife Fund conduct research in Brazil.

Environmental profiles and national conserva[illegible] strategies are two vehicles through which AID has supported the efforts of host governments, the United Nations and Natural Resources, and the International Union for Conservation of Nature to identify the nature of environmental problems country-by-country. As individual proposals are developed by or presented to AID's Bureau for Science and Technology, we intend to do more data collection and analysis. Before we can reach the stage of environmental prescriptions, we need to have a proper diagnosis of the problems country-by-country.

For most LDCs were are [*sic*] still in the first stage. The success of their overall, long-term development will be impacted by how well we assist them in anticipating problems or correcting old ones. I hope that a little AID "seed" money can help the environmental nongovernmental organizations establish themselves as a valuable asset to their country as we have done in Ecuador and Costa Rica.

In the past we have relied on commercial consulting firms to provide regional assessments. In the future we expect to make greater use of nongovernmental organizations. Organizations such as the World Wildlife Fund should be able—for far less money—to do the work which AID has traditionally contracted out.

Several things we are doing are probably of interest to you.

First, and foremost was the distribution of a revised Policy Determination on environment and natural resources that replaces the current one prepared in 1965. It has been circulated to key people outside of AID for comment. I know some of you have reviewed it for us. The initial comments we have received are valuable and appreciated. AID cannot walk in isolation; we must move ahead together.

This Policy Determination has been widely circulated so everyone can see the range of programs we support and advocate in the environment area. It is still not too late for any of you to review it in its draft stage, if you have not seen it yet. We need your comments to strengthen our environmental planning strategies, which will provide our AID missions with guidance on how to proceed.

AID remains the only bilateral agency to adopt a formal procedure for ensuring environmental sustainability of its development.

It should not be surprising that I am urging Multilateral Banks to have a more effective environmental component to their programs. The Inter-American Development Bank, for example, prepared some program guidance a year or so ago and retained an ecologist, otherwise their progress has been disappointing. However, only the Asian Development Bank has thus far set up a central staff with the ability to review proposed projects for environmental soundness.

I understand the African Development Bank will now set up a staff with Swedish funding. This is an area where more work is needed and you can be assured of my commitment for AID to play a key role in this regard.

In my capacity as acting director of IDCA and with close consultations with my colleagues in the Treasury, I anticipate that AID will enter into an effective dialogue with the banks and their staffs on environmental issues. We also expect that our bilateral talks with the Japanese will focus on the manner in which we each undertake a review of the environmental aspects of joint projects. Likewise, I hope we can begin a dialogue with other national donor organizations on the subject of environmental programs. We are already working through DAC in Paris on this effort.

A linkage between AID and some environmental groups must be pursued. On the 15th of February, I signed an agreement formalizing an arrangement between AID and the World Environment Center. It provides corporate technical expertise to industries in the Near East on handling their environmental issues, through a joint program between the World Environment Center, AID and 14 participating corporations. This program which grew out of

our discussions with industry has now been tested in Tunisia at three facilities.

Under this type of arrangement, AID picks up travel per diem and support costs. But salaries are paid by the participating corporation. I fully expect that we will be able to expand this type of an operation to cover other areas as well. My goal is to draw upon the valuable expertise that exists in corporate America. This will greatly enhance their image in the LDCs, as people in the LDCs are as proud and protective of their land as we are of ours.

From a philosophical point of view the relationship with the World Environment Center illustrates the kind of voluntarism projects the President has been encouraging. Some of you may have been waiting in the wings for a program to participate in. This may be just the thing. I think these are the kind of projects many of you here would be interested in having your company participate in. Let me encourage you to put forth your ideas. I would really like to hear from you.

We are trying to find an effective role for U.S. manufacturers of pesticides to see that their products are properly distributed, used, monitored, and disposed of in the developing countries. We expect a workshop we are organizing that will include industry, environmental and donor organizations will lead in that direction.

AID's traditional activities have played an important role and will continue to do so. But we need to rethink and take advantage of the opportunities in areas such as watershed protection through the establishment of forest reserves and reforestation. The *National Geographic* article I mentioned earlier delineates:

—those countries where the rain forests have not been touched and can be protected,

—those countries where they are being explored and developed,

—those countries where there is large scale depletion underway,

—and those countries where we can only pick up the pieces and rebuild watershed areas.

We can do a better job at taking a more integrated natural resource approach to our traditional agricultural projects. Our reforestation project in Haiti, Nepal, and India are good examples of rebuilding the watersheds. We should be doing more in terms of support of species identification and protection, and our efforts with regard to integrated pest management in crop protection can be enhanced.

AID is supporting individual projects in the Caribbean as the U.S. contribution to UNEP's Caribbean Action Plan. The $600,000 I made available go for oil spill planning, watershed and wildlife management and environmental education. Incidentally, Joe Wheeler, my former Deputy Administrator has been selected as the Deputy to UNEP's Executive Director. I know Joe's dedication and what an excellent choice Dr. Tolba made. Joe is a close personal friend, as well as one of the most respected Foreign Service officers AID had. Our loss is their gain.

A great number of poor countries are coastal states, and in some like Indonesia and the Caribbean nations, we find the preservation of the marine environment is an important concern of the government. We do have specific projects that relate to either fisheries, reestablishment of sea grasses, mangrove evaluation, et cetera. This is also an area where an integrated approach is desirable. But it is an area of assistance that I expect to see grow more in terms of understanding than in terms of big dollar projects.

To sum up, there is much that needs to be done. And we are looking for ways to work with organizations like the World Wildlife Fund in a more extensive way. There is a lot that we can do to help one another. The Reagan administration is interested in expanding environmentally sound development, and the assessment of natural resources including wild fauna and flora. I hope that our meeting tonight will contribute to a positive dialogue between us and of action.

Document 97

Policy Determination by the Administrator of the Agency for International Development (McPherson), April 26, 1983 [8]

AID Environmental Policy

ENVIRONMENTAL AND NATURAL RESOURCE ASPECTS OF DEVELOPMENT ASSISTANCE

I. Introduction

It is AID policy:

—To assist the less developed countries (LDCs): (1) in building the institutional and scientific capacity required for identifying, assessing and solving their critical environmental and natural resources problems; and (2) with establishing programs to address natural resource management problems.

—To ensure the environmental soundness and long term sustainability of AID assistance programs and projects.

—To promote environmentally sound development projects funded by multilateral and bilateral development assistance organizations.

This policy reflects AID's recognition that the achievement of long-term benefits to the world's poor, whether they be in urban or rural settings, must be based on environmentally sound planning and on a clear understanding of a country's natural resource potentials and limitations. The natural resources of LDCs are today subject to stresses of unprecedented magnitude. These pressures are brought about in large part by rapid population growth which results in increasing numbers of poor people struggling for food, fuel and other necessities of life. Because the health, nutrition, and general well-being of these people is directly dependent on the integrity and productivity of their natural resources, the capability of governments and of the people themselves to manage their resources effectively over the long term is of paramount importance. The effectiveness of the Agency's policy and strategy in support of family planning activities in developing countries is critical to the achievement of the Agency's goal in this area as well.

II. Setting

Developing country leaders and institutions are becoming increasingly aware that economic development must build upon a sound and sustainable natural resource base. Assistance in this and any other area, however is often a delicate task because of sensitivity to external efforts to influence their national development, differing priorities, stages of development and cultural, social and environmental values. Despite these potential constraints, provision of U.S. bilateral assistance involves decisions by AID which must be taken with full cognizance of all associated costs and benefits, including environmental considerations.

Quality-of-life improvements in the developing world can be realized and sustained only by acceptance of the principle that environmental planning must be an integral component of national development plans and programs. Fundamental is the recognition of the cross-cutting nature of environmental and natural resource concerns and a shared commitment by all Agency components to address these concerns in pursuing development goals. The continuing reduction of tropical forest cover, the exhaustion of crop lands, the decline and depletion of fisheries and wildlife, the advance of desert frontiers, the increasing conflicts over use of water, the adverse consequences of indiscriminate use of pesticides, and the lack of effective industrial and urban pollution control are problems that are synergistic and thus lead to multiple impacts on developing countries.

III. Policy Determination

Environmental Analysis Policy

Section 118 of the Foreign Assistance Act, requires AID to ensure the environmental soundness of its development programs through the preparation of environmental assessments of its major actions, whether effects are localized in an aid recipient country or extend to the United States or to the global environment. These assessments look at the long and short-term effects of AID activities on the people who are to benefit from the programs and are prepared, to the fullest extent possible, in cooperation with the host country. The current procedures fol-

[8] Source: Agency for International Development files. This was Policy Determination 6.

lowed in ensuring the environmental soundness of development assistance are found at 22 CFR Part 216. The procedures, updated from those issued in 1976, were adapted from improved regulations of the Council on Environmental Quality issued under the National Environmental Policy Act and Executive Order 12114, concerning the environmental effects abroad of major federal actions. The current procedures contain an appropriate level of flexibility in the environmental evaluation process and reduce the potential for delays in program approval. Eliminated from AID's requirement of environmental review are categories of projects with little or no likelihood of environmental impact. Conversely, projects which are most likely to result in significant adverse impact and which will always need further detailed environmental study are identified. For these latter activities, AID is committed to a process of working with the host country to define, at an early stage, the likely areas of significant adverse impact to be fully evaluated and mitigated to the extent possible during subsequent stages of project preparation. In assessing routine activities with predictable impacts or requiring a straightforward environmental review, AID will utilize a number of design criteria prepared for this purpose. To the extent practicable, AID will seek the participation of local or host government expertise in this process as a means of strengthening their capabilities.

Environment and Natural Resource Initiatives

It is AID policy to assist countries to improve their national policies and strengthen their institutional and scientific capability through means such as the preparation of follow-on country environmental profiles and natural resource assessments intended to help with the understanding of natural resource constraints to development, national and regional training programs, and provision of technical assistance. It is AID policy to provide new environmental agencies with carefully targeted technical assistance for developing their own national environmental policies which will contribute to sustainable economic development.

AID will provide assistance to conservation groups in LDCs which have organized in response to the continued degradation of their country's environment and natural resources. These groups can carry out national awareness campaigns, establish local chapters, and sponsor various grass roots activities. By providing assistance to these and appropriate United States based organizations working in developing countries, AID can enhance their effectiveness in promoting public participation in the formulation of national environmental policy. Wherever appropriate, AID will attempt to influence national development policies or environmental legislation through its loan or grant programs.

It is also AID policy to assist governments in the examination and implementation, through projects, of alternative means of natural resource management. Many natural resource use practices and management systems which at one time may have been viable, have now become completely inoperative to the point of being destructive to the environment and sustainable development. Bio-physical and socio-economic circumstances, including population increases, evolve and change to the point that alternative natural resource use and management practices are essential for continued economic growth. AID will therefore offer assistance in overcoming practices which result in problems such as: desertification and range degradation; declining soil productivity; fuelwood shortages; and increases in environmental diseases such schistosomiasis, malaria, and trypanosomiasis due to alteration of habitats by human endeavor. These and similar problems can best be addressed through appropriate natural resource management. AID will give full consideration to programs such as, those addressing watershed protection, soil stabilization, social forestry, establishment or enhancement of natural areas or reserves, coastal zone management, and identification of plant and animal species in remote areas designated for development. AID will support research and the transfer of appropriate technologies which will contribute to the solution of these and other management issues including those of man made pollution.

Cooperation with International Bodies and Other Donors

AID is committed to working with other development agencies to seek consistency of policies and procedures which address the complex interactions in the management of environment and natural resources for sustainable economic growth. It is AID's policy to provide other donor or international organizations with exam-

ples of environmental activities and information such as environmental profiles, guidelines and environmental assessments. Emphasis will be placed on cooperating with international and regional organizations and other donors on training and the exchange of training materials and technical experts. Whenever AID is involved in multiple donor-financed projects, special efforts will be taken to ensure that responsibility for oversight of environmental concerns rests with a specific host-country technical organization, donor, or a joint technical committee. This will provide assurance that environmental concerns are addressed throughout project design and implementation stages and that all necessary monitoring and evaluation activities are properly included in project planning to optimally guide the development activity. Professional staff, trained in the environmental sciences, are located in select missions abroad to work closely with country officials and other donors in examining development problems from an environmental perspective and evaluating alternative means of achieving development goals.

Document 98

Statement Issued by the Department of State, May 9, 1983 [9]

U.S. Arctic Policy

After review of a report by the Inter-Agency Arctic Policy Group (IAPG), [10] President Reagan has affirmed that the United States has unique and critical interests in the arctic region related directly to national defense, resource and energy development, scientific inquiry, and environmental protection.

In light of the region's growing importance, it warrants priority attention by the United States. U.S. arctic policy will continue to be based on the following major elements:

—protection of essential security interests in the arctic region, including preservation of the principle of freedom of the seas and superjacent airspace;

—support for sound and rational development in the arctic region, while minimizing adverse effects on the environment;

—promotion of scientific research in fields contributing to knowledge of the arctic environment or of aspects of science which are most advantageously studied in the Arctic; and

—promotion of mutually beneficial international cooperation in the Arctic to achieve the above objectives.

The IAPG, reporting to the National Security Council, will be responsible for reviewing and coordinating implementation of this policy and U.S. international activities and programs in the Arctic. These responsibilities will not include purely domestic matters. In discharging its responsibilities, however, the IAPG will ensure close consultation with agencies concerned with those domestic matters.

The IAPG will give priority attention to the following reviews:

—How should U.S. activities in the arctic region be coordinated with those of other countries bordering on the Arctic Ocean to serve best U.S. arctic interests? This will include consideration of possible actions for increased cooperation.

—What federal services may be necessary for the United States to provide in the arctic region over the next decade and what are their relative priorities? This will take into account projected developments in the Arctic that could have an important impact upon federal agencies with statutory responsibility for areas such as search and rescue; protecting life, property, resources and wildlife; enforcing U.S. laws and international treaties; and promoting commerce. This review will also recognize that resource development is primarily a private sector activity.

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[9] Source: Department of State Press Release 161, May 9, 1983; printed also in Department of State *Bulletin*, July 1983, p. 89.

[10] Reference is to the report entitled American Evaluation of Future Federal Levels of Effort in the Arctic in Relation to Foreign and Domestic Energy Development Programs, which was transmitted from the office of the Executive Secretary, Department of State, to William P. Clark, Assistant to the President for National Security Affairs, on October 25, 1982. The 60-page report documented the impact of oil and gas exploration and development in the Arctic on U.S. foreign relations.

Document 99

Letter From President Reagan to the U.S. Senate, May 11, 1983 [11]

Eastern Pacific Ocean Tuna Fishing Agreement

TO THE SENATE OF THE UNITED STATES: I transmit herewith, for the advice and consent of the Senate to ratification, the Eastern Pacific Ocean Tuna Fishing Agreement which has been signed by the United States, Costa Rica and Panama. It will enter into force following ratification by five coastal states of the region. Also transmitted for the information of the Senate is the report of the Department of State with respect to the Treaty.

The United States has been involved in a fisheries dispute with several Latin American countries as a result of conflicting laws regarding jurisdiction over highly migratory tuna and has, in the past, prohibited imports of tuna from several countries as a result of seizures of U.S. tuna boats. These countries claim jurisdiction over all fish, including tuna, within 200 nautical miles. The United States does not recognize, or claim, jurisdiction over tuna beyond 12 nautical miles. United States policy, pursuant to the Magnuson Fishery Conservation and Management Act, has been to negotiate international agreements to ensure the effective conservation and management of tuna and to secure access for U.S. fishermen to the stocks wherever they migrate beyond a narrow belt of coastal waters.

This Agreement, which is interim in nature pending the negotiation of a comprehensive tuna conservation and management regime, provides for the issuance of international licenses for fishing tuna in a broad area of the eastern Pacific Ocean. Provision is also made for conservation under specified circumstances. It thus furthers U.S. fisheries policy goals while reducing tensions that have arisen as a result of conflicting juridical claims.

I recommend that the Senate give early consideration to the Treaty and give its advice and consent to ratification.

RONALD REAGAN

[11] Source: White House Press Release, May 11, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, May 16, 1983, pp. 696–697. In a general debate, Congress approved the treaty 100–0 on July 27, 1983. President Reagan signed the treaty on September 6, 1983. To date, however, implementing legislation is still needed before the United States can deposit its instrument of ratification.

Document 100

Policy Determination by the Administrator of the Agency for International Development (McPherson), May 16, 1983 [12]

AID Forestry Policy

I. Introduction

Forests, woodlands and grasslands provide multiple uses and benefits to society. These natural, renewable resources provide food, storage, fuel, shelter, commercial products, as well as income and employment opportunities. These material benefits are critical in enabling rural populations in developing countries to meet a broad range of their basic needs. Forests also provide important environmental benefits and perform protective functions by regulating waterflow and preventing flooding; influence both the quality and quantity of usable water for agriculture, industry, livestock and human consumption; provide habitats for wildlife; preserve a vast genetic reservoir of plant and animal life; help minimize soil erosion and soil resource depletion; influence local climate and meteorological phenomena as well as stabilize the global climate; and, forests make recreational, education, industrial and scientific contributions to entire populations and their succeeding generations.

In many developing countries current rates of deforestation threaten the continued realization of these multiple benefits. Destructive and unsustainable levels of forest use must be replaced by those which can be sustained. Fuelwood needs and the expansion of agriculture into forest areas are currently responsible for a major part of forest depletion. Even now there are many people without sufficient

[12] Source: Agency for International Development files. This was Policy Determination 7.

fuelwood to meet their minimum cooking and heating needs. If current rates of deforestation continue unabated, some 250 million people will be affected by the year 2000. People will be forced to increase their use of animal dung and crop residues, thereby decreasing their crop yields and providing further impetus to extend cultivation into forest lands. Thus, the long term prospects for growth in agriculture are significantly threatened by the continued depletion of tropical forests. An allocation of development resources is needed that is both adequate and appropriate to address the deep-rooted causes of deforestation.

II. Setting

Within the context of broadly-based economic growth, AID endorses a policy for U.S. bilateral assistance which endeavors to support developing countries in their efforts to satisfy the basic human needs of their people. Major elements of this strategy include: (1) assisting the poor to increase their incomes—through raising their productivity, opportunity to acquire skills and expanding their opportunities for productive employment, and (2) increasing the availability of goods and services required to meet these basic needs.

In many developing countries unsustainable uses of forest resources are already having widespread adverse effects. Such effects are being felt by consumers who need fuelwood, farmers who require assured supplies of water for their crops and protection against erosion for their fields, builders who rely on timber, hillyland farmers who cultivate forest lands and lands marginal to intensive cultivation and workers who depend on jobs in forest-related industries for their livelihood.

In promoting more sustainable land use patterns, it is important to recognize the key role that forest land management plays in relation to environmental protection, especially on hilly-lands cultivated by people with little social, cultural and economic standing. Upstream watershed management that includes forest management techniques is crucial to sustainable patterns of land use, reliable water delivery for agricultural production, hydroelectric generation, and potable water supplies. Without directed action to alter the allocation of development resources to marginal as well as more productive areas, and to generate the knowledge needed to protect watersheds and maintain deforested lands in productive use, the prospects for sustained and efficient agricultural growth are likely to be significantly impaired. These constraints will undoubtedly have broad ecological, social and political ramifications, especially if corrective measures are not undertaken.

III. Policy Determination

A. *Objective of AID Forestry Assistance*

The broad objective of AID forestry assistance is to enable developing countries to manage their forests, woodlands, range and other wildland resources more efficiently for sustained increases in the production of forest products. AID forestry assistance should be based on a comprehensive plan for natural resource management, environmental protection and conservation. AID will encourage a policy environment in LDCs to stimulate the participation of people, their communities, organizations and enterprises in using their natural resources in productive and sustainable ways. AID assistance should, therefore, promote the most economically efficient and ecologically sound use of forest resources and products to help meet existing and future energy, food, wood, employment and commercial needs of developing countries.

B. *Elements of Forestry Policy*

To achieve the objectives of forestry assistance, AID will focus on four inter-related policy elements:

1. improve country policies to provide adequate incentives for people and private enterprise to participate in forestry activities and programs that will reverse deforestation;

2. develop human resources and organizational capabilities of existing forestry and related institutions, private and public, to effectively design, implement, and evaluate forestry policies and programs as well as comprehensive plans for natural resource management. The critical role of applied and adaptive research in the development and transfer of technologies for meeting fuelwood needs will be stressed;

3. expand the role of private enterprise—defined to include individuals, cooperatives, voluntary organizations and profit-seeking entities—as a means to es-

tablish an industrial base for forest development, improve the production efficiency of forests and promote the utilization efficiency in conversion and consumption of forest products.

4. employ all available assistance instruments in support of forestry assistance, including the use of P.L. 480 food aid, [13] in an integrated manner. In so doing, AID will coordinate assistance in other spheres—agriculture, energy, environment and the private sector—with forestry policy and programs. Also, AID will work closely with other donors, the U.N. specialized agencies, other U.S. Government agencies, private organizations in the U.S. and private voluntary organizations.

C. *Policy Guidelines for Interventions from Private Organizations*

1. Broad-based participation of prospective beneficiaries is essential for design and implementation of successful forestry assistance. Community and individual needs, interests and incentives to participate in forestry and related work will be important criteria for project selection. The roles of local organizations, particularly those that manage the allocation and use of land, will be given major weight in program development. Also important is the need for small and medium sized firms, trade associations, banks and cooperatives to become more involved in producing, marketing and processing wood and non-wood products of the forest.

2. AID will encourage measures to assess the degree to which public sector policies, regulations and programs encourage or discourage individual and/or private sector participation and resource mobilization in forestry interventions. Also, innovative ways to implement policy reforms will be stressed which encourage greater private sector participation.

3. AID will focus on programs which increase the efficiency of production, marketing and utilization enterprises including management and technical skills of the private sector in undertaking forestry activities.

4. AID will encourage greater access to markets, information, credit and requisite infrastructure to more effectively mobilize private and community resources for forestry development.

D. *Policy Guidelines for Interventions of a Public Nature*

1. AID will encourage dialogue, analyses and programs to improve country policies to provide incentives and remove constraints to infrastructural and institutional development, furtherance of local organizations and providing more broadly-based access to productive resources and services in forestry.

2. AID will give priority to complementary policies and programs that effectively interact and support the work and initiatives of local communities, voluntary organizations and private enterprise.

3. AID will assist public institutions in technology transfer, forestry education and to develop effective and efficient approaches to organize local initiatives in forestry and related work.

4. AID will promote efforts to elicit host country political and financial commitment to altering unsustainable forest resource use practices and, in turn, obtain similiar commitments from rural populations to participate in forestry work.

E. *Implications for Program Development*

Because of the diversity of problems, resources, awareness, and commitment among developing countries, this policy determination does not attempt to delineate precisely the types of programs which AID will support in all cases. AID recognizes that forestry is inherently a long term enterprise and that forestry interventions must be long range undertakings. Any one of several areas of activity may be an appropriate starting point for policy implementation and program development:

1. Analysis, planning, and policy formulation (including natural resource inventories, plans and land use assessments; land capability classification; evaluation of tenure law and its application);

2. Institution-building for natural resource management, conservation (including training, management systems, and establishment of service support institutions) and forestry education which emphasizes curriculum expansion to include substantial components in forest management, forest product management, logging engi-

[13] Formally entitled the Agricultural Trade Development and Assistance Act, enacted July 10, 1954; for text, see 68 Stat. 454.

neering, wood technology, range and watershed management;

3. Incorporation of forestry and agroforestry activities into agricultural and rural development programs;

4. Afforestation and reforestation, as well as management and protection of forest plantations and natural forest stands with special emphasis on ecologically suitable, fast-growing, multipurpose species;

5. Involvement of forestry institutions in energy planning and analysis of appropriate or alternative energy sources; and/or,

6. Action programs for technology transfer and exchange, including extension and community liaison.

IV. Implications for Other Types of Development Assistance

AID's forestry policy supports other types of development assistance and this policy determination should be read in conjunction with policy papers guiding assistance in other fields. In many cases, strengthening the support for forestry related activities will increase the potential for achieving objectives in other fields in which AID and other donors provide assistance. In other cases, there may be conflicting objectives and the trade-off between competing activities should be carefully evaluated in cost-benefit terms. In all cases the economic and earning potential of forestry should be recognized and policies and programs should be designed to attain this significant economic potential.

A. *Environment and Natural Resources*

The environmental influences of forestry development are fully reflected in AID's environmental and natural resource policies. Upland watersheds in forest cover assure water supplies, stabilize tropical soils and protect habitat for diverse flora and fauna. Shelterbelts, windbreaks and dune stabilization measures in semi-arid environments protect against wind erosion, wind stress, water loss and desert encroachment. Herbs, grasses, shrubs and trees found within grassland, savanna and rangeland provide vegetation complexes upon which environmental protection and natural resource conservation is based. AID will encourage LDCs to approach forest land conversion to permanent or shifting agriculture and livestock use in a manner that ensures sustainable production systems and the most appropriate land-use patterns in relation to soil characteristics and land capability analyses. Continued attention will be given in environmental, social and economic analysis to evaluate trade-offs among alternative land-use choices.

B. *Agriculture and Rural Development*

The provision of support for the development of agro-forestry programs and other alternatives to unsustainable patterns of shifting cultivation and intensive agriculture should help to encourage a sound balance between agriculture, range and livestock, and forest land uses in developing countries. By developing alternative fuel supplies, fuelwood programs should benefit agriculture by increasing the availability of dung and crop residue for soil enrichment. By developing forest-based income and employment opportunities, rural growth will be fostered.

C. *Energy*

The increased production of fuelwood supplies through the establishment of tree plantations, re-integration of forestry on farms through agro-forestry, fuelwood conservation through improved stoves and kilns as well as natural forest and scrubland management has already been adopted as objectives of AID's energy policy. Thus through direct production programs as well as through conservation of other energy sources (e.g., protection of watersheds above hydroelectric dams), forestry activities will play a key role in supporting the achievement of AID's energy objectives.

D. *Private Enterprise*

AID's private enterprise development policy directs the Agency to focus assistance in four priority sectors. These are agriculture, agribusiness, small and medium scale industry and privately operated service enterprises. This policy also recognizes the need for requisite rural infrastructure—such as transport, energy, water, and communication—as important means of encouraging private enterprise to serve the needs of the poor. Forest development and watershed management are critical activities in support of such infrastructural projects. Also, as the wood industry itself is characterized by strong forward and backward linkages and produces significant employment and income multiplier effects, it can provide an additional

stimulus to the expansion of agribusiness and service enterprises within and outside agriculture. Thus, forestry development is not only a target for private enterprise but also an important agent of its expansion to other sectors of the economy.

Document 101

Statement by the U.S. Representative to the U.N. Development Program Governing Council (Benedick) Before the U.N. Fund for Population Activities, June 20, 1983 [14]

U.S. Commitment to Population Programs

Mr. President, distinguished delegates, 2 years ago, at the 28th Session of this Governing Council, I compared the current world phenomenon of population growth to falling snow—a gradual and seemingly imperceptible accumulation which only attracts attention when the problem is in a very advanced stage and consequently very difficult to solve. [15]

But 2 years ago, there were several million fewer people added to the world's population than will be added during this current year. Next year—and for many years thereafter—the increments will continue to rise.

Barring unforeseen events, most of the countries represented in this room will experience at least a doubling of their current population size within the next two generations—adding to and complicating already well-known problems of food supply, health, resource scarcity, pressure on the environment, unemployment, migration, and frustration of aspirations for a better life.

Mr. President, this is the reality which must deeply influence our deliberations at this meeting.

A more encouraging development in recent years has been the nearly universal recognition, by the leaders of the Third World countries most affected by this condition, that something has to be done to limit the continuing rapid rise in population—in order for these countries to make effective use of domestic investment and external assistance and thereby make meaningful progress toward attaining a better quality of life for their citizens. Symbolic of this significant change in attitude and policy is the continent of Africa, which now and for the foreseeable future will have the world's highest population growth rate. A survey this spring undertaken by U.S. Embassies in Africa revealed that almost everywhere on this continent significant changes in attitudes are underway. This greater recognition of the dangers of continued rapid growth in population has also been noted by observers from the UNFPA and the World Bank.

Mr. President, the United States especially welcomes and looks forward to the interventions at this meeting of the representatives of developing countries. They are the most important of all.

Against this background, the role of the UNFPA is particularly critical, as the world's largest multilateral agency dedicated to bridging the gap between recognition of the population problem, and effective measures to address it in an effective and yet humane way. Two years ago, this Council decided upon UNFPA's prospective role for the decade of the 1980s: South and North united in an historic reorientation of UNFPA's priorities, recognizing the urgent need to reduce birth rates and provide family planning services and education to the growing millions of people who need this help.

Mr. President, the United States wishes to commend Executive Director Rafael Salas and the UNFPA for the responsiveness and sensitivity with which this institution is responding to the wishes of this Council and the needs of the countries which its serves. We are impressed with the outstanding quality of the papers prepared for this meeting. In particular, document DP/1983/20, the Review and Assessment and Work Plan, is a model of a careful and sophisticated presentation of an extremely complex set of issues. Especially during a time of resource constraint, UNFPA's management deserves the appre-

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[14] Source: U.S. Mission to the United Nations Press Release USUN 47-(83), June 20, 1983. Richard Elliot Benedick was the Coordinator of Population Affairs.

[15] Reference is to a summary record of the Governing Council presented by Benedick on June 15, 1981. Text is in U.N. document DP/SR/716.

ciation of this Council for their candid and realistic approach toward future planning.

We also wish to note with gratification the progress being made by UNFPA in increasing its commitment to family planning and population communication programs, in response to the wishes of this Council. The increase in these activities in Africa to a proportion of over 50 percent in 1983 is especially noteworthy, and reflects the evolving wishes of African governments themselves, which I referred to earlier.

We are confident that these trends in UNFPA's programs worldwide will continue, and we particularly commend UNFPA's initiative in developing its "Policy Guidelines for UNFPA Support to Family Planning Programs," which was issued earlier this year.

Mr. President, enormous logistical difficulties still stand in the way of extension of these services to the people and communities who need them. The United States would like, in this context, to offer some observations on specific aspects of UNFPA's activities:

1. In order more effectively to meet the recognized priority needs, those UN executing agencies which spend most of the funds approved by this Council must design their programs and projects in greater conformity with the mandates of this Council—namely, the priority for family planning and related activities. The United States intends to pursue this matter in the governing bodies of other UN agencies, and we urge UNFPA and member governments represented here to do the same.

2. In the same spirit, we recommend that the UNFPA allot greater resources to direct country programs. This will imply greater responsibility for UNFPA field representatives, and therefore the United States strongly endorses UNFPA's proposal for rotation of staff between headquarters and the field.

3. In the experience of the United States in administering the world's largest population assistance programs for many years, we have found a tremendous vitality in the private sector. Voluntary family planning and population programs are most effective when they involve the active participation of the people through creative projects at community level, commercial retail sales of contraceptives, and the like. We believe that the energy and creativity of nongovernmental organizations can and should be more effectively harnessed by UNFPA, and we note with concern that both the amount and percentage of UNFPA funding through such organizations declined between 1981 and 1982. We urge that this trend be reversed.

Mr. President, our recommendation for greater UNFPA use of direct country projects and private organizations is consistent with Resolution 1763(LIV) of the Economic and Social Council, which encourages flexibility by directing UNFPA to "invite countries to utilize the most appropriate implementing agents for their programs."

4. The United States continues to support the targeted level of 25 percent for UNFPA intercountry programs. We believe that the criterion of cost effectiveness should be paramount in UNFPA program decisions, and we recognize the value of certain types of intercountry programs in this context, especially in the areas of biomedical and demographic research.

5. The need for safer, better, and more acceptable methods of fertility regulation continues to grow more urgent. This was the message of an international conference of science policymakers and researchers convened in Stockholm, Sweden in February of this year. The Governing Council last year stressed that research on contraceptives is "crucial" to the attainment of the Fund's objectives. If the term "crucial" is to have any meaning, we urge that, in connection with document DP/1983/21 on Family Planning Research, this Council direct UNFPA to assign highest priority for biomedical research, with a related but subordinate priority for program research.

Mr. President, the U.S. recommends that this Council direct UNFPA to adopt a "holistic" approach to biomedical research funding, in recognition of the multiplicity of effective international programs and networks active in such research. In this connection, I might cite the recent entry into this field of a UNESCO-associated agency, the International Organization for Chemistry in Development (IOCD), which includes among its directors a number of distinguished scientists, including the Swedish Nobel-laureate, Dr. Sune Bergstrom, who directed the outstanding report on contraceptive research produced

last year for this Council. In addition, there are many other research organizations, which merit support in their efforts to find better contraceptives, including the International Committee for Contraceptive Research (ICCR), the Program for Applied Research in Fertility Regulation (PARFR), the WHO Special Program of Research in Human Reproduction, Family Health International (FHI), the Program for the Introduction and Adaptation of Contraceptive Technology (PIACE), and the Medical Research Councils of numerous individual countries. The United States is supporting many of these organizations; we also have bilateral agreements for cooperative research in human reproduction with India, China, and most recently, Italy, and we are discussing similar arrangements with several other countries. This is a field which deserves increasing priority by UNFPA and the international community.

In conclusion, I would like to stress the continued strong commitment of the United States Government, both the executive branch and the Congress, to be responsive to requests from developing countries for assistance to their population programs—through our bilateral programs, through private organizations, and through the excellent work of the UNFPA. This administration has reaffirmed that population concerns are an essential element of our development aid strategy. Even under conditions of extreme budgetary stringency, the high priority of this subject is reflected in the continuing increases in U.S. aid and research funding.

We have placed particular emphasis in designing policies and programs that are sensitive to local cultural and religious traditions. The United States will support only voluntary family planning activities. We strongly oppose any coercion in population programs, and we believe equally strongly that couples should be offered freedom to choose among a variety of ways of planning their family size, including various medically approved as well as the natural family planning (periodic abstinence) methods.

Thus, the United States believes in enlightened population policies, aiming ultimately at improvements in the quality of life of mothers and children, and of future generations. We believe that such policies and programs can be fully consistent with the values of human dignity and stability of the family which we cherish.

We are pleased to be associated with an organization like the UNFPA in pursuit of these important goals, and we look forward to working together with UNFPA and with other governments in making the 1984 International Conference on Population in Mexico City a true landmark on the road of human and national development.

Thank you, Mr. President.

Document 102

Message From President Reagan to the Congress, July 11, 1983 [16]

"One of Our Principal Foreign Policy Goals . . . To Give Science and Technology a More Prominent Position in Our Relations With Other Countries"

In accordance with Title V of the Foreign Relations Authorization Act for Fiscal Year 1979 (Public Law 95–426), [17] I am pleased to transmit the 1982 annual report [18] on the United States Government's international activities in the field of science and technology. This report, as were its predecessors, has been prepared by the Department of State in collaboration with other concerned federal agencies.

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[16] Source: White House Press Release, July 11, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, July 18, 1983, pp. 988–990.

[17] For text of the Foreign Relations Authorization Act for Fiscal Year 1979, approved on October 7, 1978, see 92 Stat. 963-995.

[18] Reference is to the annual congressional report, published since 1980, entitled "Science, Technology, and American Diplomacy." The report is part of Title V and includes updates on such topics as the environment, space, nuclear materials, telecommunications, agriculture, and international health. New U.S. multilateral and bilateral agreements are also included in the report.

In the past year, there have been several important developments in our international science relationships, all of them reflecting one of our principal foreign policy goals—to give science and technology a more prominent position in our relations with other countries. This is important not only to the conduct of our foreign relations, but to the successful fulfillment of many of our own science and technology objectives. As I have indicated in my Annual Science and Technology Report to the Congress, international collaboration can help advance many of our own national interests. Thus, I have asked my science advisor, Dr. George Keyworth, to pay special attention to international affairs and, throughout the federal government, concerted action has been taken to demonstrate our commitment to using the advances in science to overcome both national and international challenges.

There has been substantial progress. For the first time, international science cooperation was a subject for discussion among the leaders of the principal industrial democracies at the Versailles Summit. Those discussions led to a study by the Summit countries of the relationship between technology, employment, and growth, and to the establishment of eighteen new projects for cooperation among us. Although these projects will, in the first instance, be led by one or another of the Summit countries, they could eventually involve other countries and international organizations and lead, in time, to advances for countries of the Third World. These projects for enhanced cooperation were endorsed by the heads of state at the Williamsburg Summit and it was agreed that we would discuss them again at our next meeting.

Last July, Prime Minister Gandhi and I initiated a new program for enhanced scientific collaboration between the United States and India.[19] A group of some of the most distinguished scientists from both our countries met in India in January and prepared a farreaching program in medicine, agriculture, meteorology, and energy. Work began in April 1983, and we expect to see the first results within the next 24 months.

Similarly, when I visited Brazil late last year, President Figueiredo and I reaffirmed our desire to strengthen science and technology collaboration.[20] We have developed a program for joint work in five significant areas and, as part of our projected joint efforts in space, I proposed that a Brazilian payload specialist train with American astronauts for participation in a future space shuttle mission. When President Zia of Pakistan came to Washington in December, we agreed to establish a new Joint Commission to coordinate several bilateral activities, including common undertakings in science and technology.[21]

In May, Dr. Keyworth led a highly successful mission to China for the third meeting of the U.S.–PRC Joint Commission for Scientific and Technological Cooperation.[22] At the conclusion of the meeting, three new protocols on cooperation in nuclear physics and magnetic fusion, aeronautical science and technology, and transportation science and technology were signed. These supplement seventeen existing protocols that already include agriculture, students and scholars, space technology, high energy physics and hydropower. In addition to the new protocols a memorandum of understanding on cooperation in the basic biomedical sciences was also signed. It is in our fundamental interest to advance our relations with China. Science and technology are an essential part of that relationship and I have taken steps recently to ensure that China has improved access to the U.S. technology it needs for its economic modernization goals. We will continue to assist China through mutually beneficial cooperative efforts in science and technology.

We are continuing our cooperation with the U.S.S.R. in science and technology. This is a complex matter made more diffi-

[19] Prime Minister Indira Gandhi made an official visit to the United Nations, July 28–August 4, 1982. She was in Washington, July 28–31, where she met with President Reagan and other U.S. Government officials. As a result of these meetings, the two countries agreed upon measures to foster joint activities, among these expanded scientific collaborations, and cultural and educational exchanges.

[20] During President Reagan's 1982 trip to Latin America, he visited Brazil, December 1–2, at which time he met with Brazilian President General Joao Baptista de Oliveira Figueiredo.

[21] President Zia Ul-Haq of Pakistan visited the United States, December 6–14, 1982. He met with President Reagan and other U.S. officials from December 6 to 9.

[22] George A. Keyworth, II, chairman of the U.S. delegation, and 21 other delegates, attended the meeting from May 10 to 11, 1983.

cult because of Soviet behavior regarding Afghanistan and Poland, as well as their efforts to acquire sensitive Western technology. Decisions to renew agreements are being made on a case-by-case basis taking these concerns into account along with the benefits to the U.S. through participation. For example, I have recently approved the renewal of an agreement for cooperation with the Soviets on atomic energy, with appropriate limitations to protect our interests while letting the work proceed.

These examples suggest the range of our international effort in science and technology, but they are hardly exclusive. We have programs with more than three dozen countries, in every part of the world, at every level of sophistication. Science, as we know, has always had a special international character, and the advancement of science can make profound contributions to freedom and prosperity around the world. These tasks are formidable, for our scale of measurement must be decades, even generations. For this reason alone, our government, in a cooperative spirit, will continue to work closely with others prepared to join with us.

Document 103

Remarks by Vice President Bush, Cape Canaveral, Florida, September 5, 1983 [23]

"Our Mission in Space Is To Strengthen Peace, Build Prosperity, and Expand Freedom for All Who Share Our Goals"

Thank you all very much. I want you to know that after seeing the playback of this morning's touchdown and then coming here on Labor Day to see and salute your families—well, I just have to believe that this is a great day for America.

And when we salute the contributions of your labor force at NASA, we're talking about one of the most diversified groups in America: union/nonunion, blue collar/white collar, high tech/manual, military and nonmilitary.

Thanks to every one of you, the five-man crew of the Challenger has blazed a new path of opportunity for all Americans and free people everywhere. Last Tuesday, they lit up nighttime skies like the Fourth of July, blasting off the face of this planet with barnstorming courage. Early this morning, they brought the Challenger back to Earth with cool, professional ease. They made it look so easy, you'd think they were flying the shuttle between New York and Washington.

The success of those brave Americans, and those who preceded them, opens the door to a golden era of discovery. Let me assure you and all our fellow citizens—your work is far from finished. In fact, I won't be slipping any secrets when I say: The United States space program has just begun, and it's going to get better and better. As that sleek, black-nosed bird glided to its precision landing, America's shuttle program really took off. By next year, we will be sending a shuttle into space nearly every month. Routine space travel will be within our grasp.

Our universe beckons us with treasures that will benefit all mankind. Opportunities for jobs, progress and human fulfillment will multiply as we marshall the power of high technology, push back our frontiers of knowledge and reach deeper and deeper into the unknown. What we have accomplished, what you have accomplished, is a tribute to American excellence—to our finest minds in Government, industry and our universities all pulling together for a greater good. As Americans, we can take pride in saying: We are first, we are the best, and we are so because we are free.

Our space program spurs innovation, makes us more competitive and raises the standard of living not just for our own people, but for people throughout the world. No other American activity so effectively demonstrates our technological leadership. On this latest flight of the Challenger, important experiments were conducted that can bring positive and far-reaching contributions to medicine. An on-board motor rocketed an Indian satellite into higher orbit. This will permit the

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[23] Source: Press Release, September 5, 1983, Office of the Press Secretary to the Vice President. The remarks by Vice President Bush were made at the Kennedy Space Center picnic at Cape Canaveral. The source text indicates that it constitutes excerpts from the Vice President's remarks.

Indian Government to broadcast radio and television to more than 100,000 villages. Telephone communications will be possible for the first time between remote regions of that country.

In October, the ninth Space Shuttle will carry an orbital laboratory developed by the European Space Agency called Spacelab. I had the honor of unveiling Spacelab, and I can tell you that it's a breathtaking piece of equipment. On this mission, two NASA Payload Specialists will be on board, including Dr. Ulf Merbold, a physicist from the Federal Republic of Germany. They will be conducting scientific experiments on behalf of more than 70 investigators from the United States, Europe and Japan.

By opening our cargo holds to our friends, we show that our mission in space is to strengthen peace, build prosperity and expand freedom for all who share our goals. America is a tremendous force for good, and don't let any cynic tell you differently. Our work in space carries on the worthy traditions of a proud and good people—a people who have brought light where there was darkness, heat where there was only cold, medicines where there was sickness and disease, food where there was hunger, wealth where humanity was living in squalor, and peace where there was only death and bloodshed.

The outrageous events of last week—the barbaric shooting down of that Korean Air Liner—should remind us of something else, too. We live in a dangerous world—a world where others reject our ideals and wantonly disregard individual rights and the value of human life. It is therefore our duty to remain ever vigilant and strong, that we might remain ever free.

One more thought on this cowardly incident. The fact is bad enough—the wanton destruction of a civilian airliner that was off course but was flashing its strobe lights, that was tracked for literally hundreds of miles, that was eyeballed by the Soviet pilot from only several hundred yards away, and was then destroyed as that same pilot pulled the trigger that released the missile—that killed 269 human beings.

But then there's the lie—the big Soviet lie—no regrets, just the lie.

It wouldn't make it right if the Soviet leadership would say a horrible mistake was made and we are sorry. It wouldn't make it right, but it would help some.

It's not just the act—it's the lie and the lack of concern for the 269 people from at least 13 different countries who lost their lives.

And as we approach NASA's 25th anniversary, let me make one thing plain: the U.S. commitment to leadership on space must be maintained—and it will be maintained.

We will be maintaining a record that your Administrator, Jim Beggs, rightly described as "25 years of reaching for excellence and achieving it in space and aeronautics." Standing there beside that magnificent complex, with the Stars and Stripes draped in her glory, one is filled with memories of America's quest for space leadership. We didn't waste time following the shock of Sputnik. America's first satellite, Explorer I, was launched from the Cape in 1958.

Since that historic day, the U.S. space program has surmounted greater and greater challenges: Pioneer, Mercury, Gemini, Apollo, Skylab, Viking, Voyager, and now the Shuttle, our workhorse in space. We never hid our missions from anyone. That's not the way of freedom-loving people. We've always been courageous and honest enough to carry them out in full view of the world. Each time we risked failure. But each time the world held its breath, America met her challenge with success—and that is the way of freedom-loving people.

Neil Armstrong spoke his famous words, "... one small step for a man, one giant leap for mankind." The American flag is planted on the moon's surface. The only footprints ever to touch its surface were made by American astronauts.

It is appropriate that all Americans celebrate the success of today's most recent space venture on Labor Day. For all the various groups here at Kennedy Space Center, as I mentioned earlier, represent a microcosm of the diversified U.S. labor force.

On this 101st Labor Day, we honor all those men and women who have worked to make America the most productive society in the history of mankind. The United States is emerging now from a painful recession with a vigorous recov-

ery—a recovery without inflation and with significantly lower interest rates than we were experiencing just 2 1/2 years ago. We are beginning to see unemployment drop and new jobs are being created in all areas of the private sector. This economic climate will allow all American workers the greatest opportunity for progress, and I believe American industry, labor, and technology will meet the new challenges facing our country in the years ahead—just as you have overcome every obstacle to achieve the success we celebrate here today.

With your great talent, the genius of our people, and the commitment of this administration, America will continue to reach boldly into the unknown. I am confident we will open new frontiers, use our knowledge for peace, and share the rewards of our exploration with people everywhere. The next 25 years will provide dazzling new opportunities for the peaceful expansion of our civilization into space.

Document 104

Testimony by the Acting Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs (Marshall) Before a Subcommittee of the House Governmental Operations Committee, September 28, 1983 [24]

Foreign Policy Benefits Provided by LANDSAT

MR. MARSHALL. Mr. Chairman, I am pleased to have the opportunity to discuss with you the international implications of the proposed transfer of the Government's civil land remote sensing satellite system, or Landsat, to the private sector.

First, I should say that, contrary to what the first paragraph of that article in the Washington Post said this morning, there is no change. The President has not directed a change in U.S. Government policy regarding distribution of its data from Landsat.

MR. BROOKS. Excuse me, Mr. Marshall, I would like to recognize a former distinguished member of this committee and a former distinguished Member of the U.S. Senate and the House of Representatives, John Culver.

Please continue, Mr. Marshall.

MR. MARSHALL. I might also say, Mr. Chairman, that we cannot agree wholly with everything that the GAO and OTA representatives said here this morning. In many respects we feel that they are prejudging what the response will be to the work that is now going on as Mr. Kammer has described it for you.

The launch of Landsat 1 in 1969 initiated an era of experimental Earth remote sensing from space. The United States initiated this effort which became an important element in the social and economic development projects of many nations.

Now we are on the verge of a possible new era in Earth remote sensing from space. The system has proved itself both nationally and internationally. A measurable body of national and international users has emerged.

By the end of this decade, Earth remote sensing will almost certainly be conducted by a number of countries and international entities on a competitive and more or less commercial basis.

On March 8, the President directed the administration to seek through competitive means a private commercial operator to continue this country's Landsat program. The State Department is participating in the process of implementing this directive.

The terms under which U.S. Landsat data have been available have promoted programs for application of land remote sensing data to serve both national and global needs. International participation and cooperation have been intrinsic to the success of these programs. Today, Landsat ground receiving stations are operating, being built, or are under active consideration in Argentina, Australia, Brazil, Canada, China, India, Italy, Japan, Romania, Saudi Arabia, South Africa, Sweden, and Thailand. These stations are, or will be, equipped to receive directly Landsat

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[24] Source: *International Implications of Proposed Sale of LANDSAT Satellite. Hearing Before a Subcommittee of the Committee on Governmental Operations, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 103–107.

data for analysis and distribution. The ground stations, combined with the U.S. Earth Resources Observation Station [EROS] Data Center in Sioux Falls, S. Dak., comprise a readily accessible world data network. These distribution facilities make Landsat data available to the public worldwide.

The land remote sensing program [Landsat][25] has generated a number of foreign policy benefits. First, the United States gains access to land observation data from parts of the world which would not be possible with ground stations located only in the United States. This enhances ongoing U.S. land remote sensing ground truth measurement campaigns.

It assists our scientists in ongoing scientific study efforts. It also improves our technological edge by helping U.S. scientists and engineers develop new and more extensive applications for remote sensing and specific remote sensing instrumentation.

Second, through Landsat we provide land observation data to users worldwide, much to our advantage. With U.S. assistance Landsat data are used in the developing world for estimating crop acreage and monitoring timber lands, range lands, deserts, and water resources; for mineral and oil exploration; land use planning; disaster assessment; and environmental protection.

The international network which the United States has spawned is demonstrable proof that the United States can help developing nations use space technology for practical applications.

Third, foreign participation in the U.S. Landsat program encourages foreign governments and scientists to use and rely on the U.S. system for both practical and scientific applications. Politically, technologically, and economically, Landsat brings countries closer to the United States.

We believe transfer of Landsat to the private sector, if in fact an appropriate recipient is found, for commercial operation could improve the program and in turn enhance these foreign policy benefits. We believe commercialization could attract increased foreign use through market development and perhaps through more flexible pricing policies. It will further U.S. technical innovations, expand U.S. civil space activity and presence, and provide greater distribution.

Most important, commercialization may be the most effective way to assure continuity of high technology data through applied economies and innovative market development.

Foreign policy implications relating to commercialization are basically twofold. First, the Department of State must be concerned that commercialization will be implemented in a manner that insures adherence to international obligations of the United States.

Second, the Department of State seeks to insure that the foreign policy benefits we have derived from Landsat are not eroded.

Our main international obligations are embodied in three international agreements.

The 1967 United Nations Outer Space Treaty which establishes that all states parties to this treaty shall be responsible for all activities of their nationals in outer space, whether those nationals are government agencies or nongovernmental entities such as a private commercial space operator. The Convention of International Liability for Damage Caused by Space Objects and the Convention on Registration of Objects Launched Into Outer Space, both of which reconfirm the responsibility of states parties for the activities of all nationals in outer space. Both also stipulate the acceptance of states parties of liability for damages caused by objects launched from their soil by their nationals and the responsibility of states parties to register all such objects with the United Nations.

To insure continuing adherence to our international obligations, the U.S. Government, through the Department of State, must have adequate authority and opportunity for supervision of: (1) the compliance by private owners or operators of space systems with overall U.S. international treaty obligations and general space policies; and (2) the relations of the private owners or operators of U.S. space systems with foreign governments, foreign agencies, international bodies, and foreign business entities.

With these safeguards, it is our opinion that private ownership of the Landsat

[25] Brackets are in the source text.

system would benefit our foreign policy interests. The continuation of a U.S. Landsat system and program will be assured at least for the lifetime of an initial contract between the Government and a private owner or operator. Earth remote sensing data continuity from a single system, which has been a frequently voiced objective of many interested individuals and entities both in the private business sector and elsewhere, will be promoted.

In short, the President's decision to transfer the present civil Landsat system and program to the private sector presents no inherent obstacles for the conduct of foreign affairs. There were conditions in his decision; namely, that the foreign policy considerations must be addressed and it must be at competitive terms. This has been characterized by Secretary Baldrige as meaning that it has to be a good deal for the U.S. taxpayers.

We know that the international community is watching our early efforts toward commercialization closely. We received limited foreign reaction, through various informal contacts, bilaterally and in international forums, shortly after the President's announcement on March 8, 1983. Before that, we had responses as well because the previous administration had announced in 1978 that it intended to transfer this program.

Early informal responses were not extensive and focused primarily on access to Metsat data. We have since kept key governments informed of further developments in the commercialization effort and await further reports on foreign reactions from our embassies abroad.

I might say that France, Italy, and the United Kingdom have provided rather positive responses, particularly a response we have received recently from France.

I might add that we would welcome as well information which may have been obtained by the Government Accounting Office, and referred to today in their testimony, during the recent discussions with GAO staff and selected foreign governments.

Through the State Department's participation in the SEB and through our controls set forth in the request for proposals, we will be able to address effectively any adverse effects upon our foreign relations.

Let me now speak briefly on concerns relating to data availability. We will encourage the private operator to make data available on an open and nondiscriminatory basis. More specifically, consultations with Government agencies, including the Department of State, would be required if a private operator wished to pursue data policies other than those which the U.S. Government now pursues.

We believe that commercial Landsat activities must be permitted an element of flexibility because the international climate for Earth remote sensing from space may well change by the end of this decade.

Accordingly, the United States should not place a prospective U.S. operator of a Landsat system at an immediate competitive disadvantage with foreign operators in an international market.

It is anticipated that in little more than a year—January 1985—France will launch the first of several contemplated SPOT Earth remote sensing satellites. SPOT is a technologically sophisticated and advanced Earth remote sensing satellite system. The French have advertised SPOT widely and vigorously throughout the world. They have not clearly announced as yet a firm data distribution policy and practice. Nor has Japan, which expects to launch civil Earth remote sensing satellites in 1986 or 1987 and in 1990 which are expected to utilize advanced technologies.

Although their first satellite will possess land remote sensing capabilities, it will be devoted largely to ocean sensing, while their second satellite will be devoted primarily to land remote sensing. Japan's Ministry of Industry and Trade [MITI] and the Japanese Space Agency share responsibility for development of these satellites.

In view of future uncertainties as to how civil remote sensing from space will be conducted by a variety of international operators, the Department of State has concluded, following consultations with other responsible agencies, that the best policy to pursue at this time with respect to practices demanded of a prospective private Landsat commercial operator should be one of commonsense flexibility.

Our policy is to encourage a private operator to maintain Landsat data processing and provision on an open, nondiscriminatory basis. We believe it unwise to pre-

maturely burden an operator with prior constraints at the outset that may place him at a competitive disadvantage vis-a-vis his international commercial rivals.

At the same time, a private U.S. Landsat operator should not be permitted to change his data processing and distribution policies in ways that would harm or jeopardize fundamental U.S. foreign policy interests and obligations.

A future in which international territories may well be remotely sensed by the systems of three or four or perhaps even more national entities or international entities remains a real possibility though sometimes difficult to envision.

We all know how difficult it is to predict the course of international politics 5 or 10 years in the future. Given budgetary and programmatic restraints, we firmly believe that commercialization of this country's Landsat capabilities under prudent but commonsense supervisory constraints will best satisfy the national interest in coming years in the important area of satellite Earth remote sensing.

In conclusion, Mr. Chairman, I just want to add that we do very much look forward to the continuation of our consultation with your committee staff and with the other relevant committees on the Hill.

We do appreciate your input.

Thank you.

MR. BROOKS. I have about 13 questions that I will submit to you for a written response for the record.

Without objection, the record will remain open to receive those responses.

Document 105

Testimony by the Special Adviser for International Affairs, Bureau of Oceans and International Environmental and Scientific Affairs (Wolfe), Before a Subcommittee of the House Merchant Marine and Fisheries Committee, September 028, 1983 [26]

U.S. Policy for Protecting Whales

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The commercial whaling moratorium decision reached at the IWC 34th annual meeting in July 1982 was a milestone for the many years of international efforts by the United States, working within the IWC to achieve protection for all population of whales. Generally the results of the 35th annual meeting of the IWC held in July of this year, well outlined by Dr. Byrne, were also very positive.

Commercial whaling catch limits were set at a level consistent with the IWC moratorium decision, which will allow continued whaling in the transition in order to lessen the economic and social effects for industries of the whaling countries. However, the 1984 catch limits represent an overall reduction of more than 20 percent from previous levels.

The Department of State is closely involved in the preparation and negotiation of U.S. Government positions regarding the IWC. In particular we see our responsibility as follows: One, to insure that other member governments of the IWC are apprised of U.S. positions on issues before the Commission; two, to convey to our delegation and Government agencies foreign interests and positions on IWC matters; three, to insure that IWC policies are consistent with our broader foreign policy objectives; and, four, to insure that our IWC positions are consistent with other international treaties and negotiations.

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[26] Source: *Fish and Wildlife Miscellaneous: Hearings Before the Subcommittee on Fisheries and Wildlife Conservation and the Environment of the Committee on Merchant Marine and Fisheries, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), Part 4, pp. 263–265.

At present, in collaboration with Dr. Byrne, the U.S. Commissioner to the IWC, and other U.S. Government agencies and nongovernmental groups, and interested Members of Congress and staff, we are involved in efforts to implement the IWC moratorium decision.

Since the IWC established a moratorium on all commercial whaling beginning in 1985–86, the Department of State has conveyed the strong support of the U.S. Government for the full and effective implementation of the IWC decision to the governments of all the whaling nations. We have made a special effort to stress the need for adherence to the regulations of the Commission. We have explained the provisions of the Packwood-Magnuson amendment to the Magnuson Fisheries Conservation and Management Act, and the Pelly amendment to the Fishermen's Protective Act, in detail, and informed the nations potentially affected of the implication of these two amendments and the determination of this Government to use them if the IWC regulations are thwarted.

We have conveyed this strong commitment through all available diplomatic channels. This has involved the highest levels of the Department of State, including personal letters from Secretary Shultz on at least three different occasions. I have traveled to Iceland and the Republic of Korea to discuss the importance of the IWC moratorium decision and the U.S. commitment to its implementation.

As a result of extensive discussions with the Governments of Iceland, the Republic of Korea, and Chile, we were assured that they decided not to object to the cessation decision and are taking active measures to phase out whaling to comply with the cessation. The Government of Brazil has provided us with similar assurances. As indicated by Dr. Byrne, the Government of Chile has prohibited all whaling as of July 1983 and reiterated its intent to comply with the IWC moratorium. With the Government of Peru's objection to the IWC moratorium decision withdrawn as of July 1983, the objections made by the Governments of Japan, Norway, and the U.S.S.R. remain.

As you know, any country may withdraw its objection at any time, and the Governments of Japan and Norway have stated that they are keeping their options open and that their objections do not mean that they have made a final decision in the matter. To date, the Government of the U.S.S.R. has not made such a statement. We have conveyed to the Soviet Union that we are reviewing their whaling operations for possible certification for lack of compliance with the cold harpoon ban, and in light of their position on the IWC moratorium decision.

We are engaged in continuing consultations with the Governments of Japan and Norway in order to successfully implement our national policy. The Department of State has traveled to Norway twice within the last year, and we recently met with the Norwegians here in Washington and expect to see them once again in the very near future. We have been invited to meet with the Japanese sometime in November. Our bilateral relations with these countries are highly valued, and we will continue to use all diplomatic means available to us to gain implementation of the IWC decision and avoid a confrontation which could adversely affect these close relations. Our efforts have involved the highest level of government.

Given the importance which the administration, the Congress, and the American people attach to the effective protection of whale populations represented in the IWC moratorium decision, we believe that U.S. domestic legislation provides a useful tool in situations where there is no other approach open for us. We are also aware that fishery-related sanctions that the Pelly and Packwood amendments authorize to be imposed could potentially entail domestic costs. However, we are very hopeful that it will not be necessary to invoke this legislation, and will continue to use every opportunity to insure that all avenues of negotiation are utilized to insure this.

In our bilateral discussions we continue to stress that our important and close bilateral ties could be affected as long as these objections to the IWC moratorium decision remain and we achieve no indication of substantial progress toward this important U.S. policy objective. We would generally characterize the discussions to date with various foreign countries on this issue as constructive and resulting in a better understanding of the implications of the IWC moratorium decision. We remain committed to use all diplomatic and legal means available to us to gain the successful implementation of the IWC moratorium decision.

That concludes my statement, Mr. Chairman, and just as Dr. Byrne, I would be happy to respond to questions.

MR. BREAUX. Thank you very much.

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Document 106

Address by the Administrator of the Agency for International Development (McPherson) Before the National Wildlife Federation, December 7, 1983 [27]

AID's Role in the Environmentally Sound Development of Lesser Developed Countries

I hold a belief that the original environmentalists in early America were the farmers and dedicated people—people such as yourselves.

I'm proud to say the McPhersons have been farmers for many generations. I was raised on the family farm in Michigan. I remember my father's comments about a neighbor who was letting his land erode. Father thought it was immoral. On our farm, hunting, trapping, and fishing were very important. For example, I learned the need not to overtrap muskrats in any one season, so as to be sure there was a good stock the next year.

Many of you share this heritage as farmers or as conservationist sportsmen.

To me, the vitality of the environment is interwoven with the abundance of the land, the wildlife and the streams. This is a knowledge not simply of the mind, but of the heart.

For me, this knowledge of the interdependency of our continued existence and good stewardship of the land was reinforced by some of my experiences in the Peace Corps in Peru.

Accordingly, when I was named Administrator of AID, I brought with me a firm concept of rational economic development. The environment, if respected, is a vital friend of humanity—if violated and abused, it turns upon us and extracts revenge.

Economic development and environment can be consistent. Indeed, compatibility is just good business.

Several groups, such as the Conservation Foundation and the World Wildlife Fund of the U.S., have placed that reality in proper perspective. Russell Train, as director of the Conservation Foundation in the mid-sixties, said:

> "The principal thrust of our activities is to dovetail development and conservation efforts—to demonstrate that development and effective conservation can and should go hand-in-hand."

This is clearly true today.

Elaborating on that general goal today, I would like to discuss our leadership role in this task, the objectives of the Agency for International Development (AID) as it pertains to the environment, our strategy for accomplishing those objectives, and, make a few comments about the importance of biological diversity.

AID has taken a leadership role in bringing the message and the means of environmentally sound development to the Third World. This includes: environmental analysis of poor countries; working to improve foreign country policies; building human and institutional capability; technical and information exchange; environmental research; and, urging other donors to have strong environment efforts.

A great deal of AID's attention has focused on farmland and forest areas of the world. For example, the AID mission in the Dominican Republic was appalled by the extent of burning that had been done in the forests of that land. AID showed the government, through the preparation of an environmental profile, what would result if that practice was not stopped. As a consequence the Dominican Republic and AID are working closely to bring about government policy reforms, education at the grass roots, and a program of soil conservation, water management and forestry.

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[27] Source: Department of State files. McPherson addressed the 30th Annual Conservation Conference of the National Wildlife Federation in Washington.

Another example of our leadership is in Haiti. In that country, AID is working with farmers to change the way they farm. We are urging them to plant on the contour, to use hillside ditches, and to plant trees that are fast-growing and nitrogen-fixing.

AID has developed a set of six practical strategies for our continual leadership in environment work.

Strategy 1—*Environmental analysis.* These are technical analyses prepared during the design phase of a project on the possible environmental consequences of a proposed project.

Such analysis cannot be an afterthought. It must be a component integrated into the design.

For example, AID is helping countries such as Rwanda, Somalia, and Gambia to plan for orderly development of river basins. This will ensure against future erosion and degradation of these vast basins.

Strategy 2—*Work to improve the environmental policies of poor countries.* We are working with foreign governments to show them the importance of adopting sound environmental and natural resource policies.

We also provide assistance to grassroots conservation organizations and support study groups helping them to disseminate useful information.

In some cases, policy change is a condition to a loan or grant from us.

Strategy 3—*Work to build human and institutional capability.* We recognize the complexity of natural resource management problems. Long-term commitments are required to build both human and institutional capability. Band-aid approaches or "quick fixes" just don't work.

Obviously training is critical in our efforts. For example, recently AID sponsored training sessions in Sri Lanka. Part of the program included a policy development seminar for high-level officials on environmental assessment procedures.

Additionally, a 3-week training session was conducted for other senior staff.

Also, in Sri Lanka, emphasis will be placed on conservation training at the local level.

Strategy 4—*Technology and information exchange.* The capability of a developing country to respond to environmental issues depends to a large degree on the availability of useful technology and techniques. To help provide this we're tapping expertise that exists within the United States.

For example, Tenneco and Amax Corporations have made staff available to travel to Tunisia and help work out technical problems in paper mills, steel plants, and mining operations. AID funds only travel and daily expenses. The American corporations pay the salaries of their employees.

U.S. universities are being a big help. For example, one consortium of twelve of these institutions and the U.S. Department of Agriculture are providing on-site crop protection advice to AID missions and countries. The focus of this work is the development of integrated pest management plans and advice on appropriate agricultural chemicals.

Environmental organizations also play an important role. For example, the World Wildlife Fund is working with AID in Brazil in developing an inventory of what is available and what training is needed in South America. We need—and are receiving—environmental communities' help and advice. We welcome a continuation of that partnership.

Strategy 5—*Environmental research.* AID funds some environmental science and forestry research of direct use to AID programs.

For example, AID is on the threshold of a new 10-year program in forestry research. The program is in its design stages. It will provide a research network among many nations. Most forestry research of the past has focused on the temperate zones, like the U.S. and Europe. Our new research will center on other areas of the world.

Forest research is a long-term commitment of AID and one which I feel is very necessary.

The development problems of arid and semi-arid regions arise from the fact that they have been settled for long periods of time, overexploited, and tend to be worn out. Research is often needed. Another example, in Mauritania, Africa. AID has

embarked on extensive research efforts to define suitable development approaches for each of the four basic ecological zones in that country. These include oases, river bank, coastal, and desert areas. As always, our objective is to help the people help themselves in the restoration of their natural resources.

Research is also needed in rapidly growing urban areas which need water and sewerage systems with low operating and maintenance requirements. To cite an instance, AID is discussing with the Egyptian Government a program to help finance the rehabilitation and expansion of the water sewerage treatment systems in Cairo, Alexandria, and the Canal cities.

Strategy 6—AID will continue to work with the donors to get them to have strong environmental programs.

The leadership AID has provided in this area has been well received. For example, the World Bank has joined us in the effort to help educate people in the safe use of pesticides. The Canadian aid program came to visit us in Washington last week to see what we are doing.

At this point I want to address an issue of special concern to most of you—specifically, the matter of biological diversity.

As you know, most of the world's biological resources originated in tropical regions which contain the richest assortment of species. Many of these have not been evaluated for possible human uses. Population growth is causing a rapid decrease in the availability of plant and animal genetic resources because of habitat destruction and increased use of toxic chemicals.

In recognition of the importance of this issue, in November 1981 I called and cosponsored a Strategy Conference on Biological Diversity. Participants, in addition to AID, included the State Department and five other Federal agencies. A number of recommendations emerged from the Conference and we are following up. We have provided guidance to AID missions abroad on activities related to biological diversity.

As an example of the work AID is doing in this area, the Missouri Botanical Gardens, on contract with AID, is collecting, identifying, and cataloging plant and animal species in the high jungle of Peru. I expect to see similar activities established in connection with traditional development projects, especially those opening up new areas where species can be lost before they are known.

Congress recently augmented this initiative by enacting legislation which essentially directs us, and certain other government agencies, to develop a U.S. strategy on biological diversity in developing countries.

I have instructed Dr. Syle Brady, my senior Assistant Administrator and head of our Bureau for Science and Technology, to personally oversee the preparation of a strategy on biological diversity. Some of you will remember that Dr. Brady headed up the International Rice Research Institute (IRRI) of Green Revolution fame. Dr. Brady expects to bring together scientists and other experts from various federal agencies to help augment AID's technical capabilities in this area. This guidance will be utilized by our missions around the world and will be provided to developing nations. It will also be provided to other donor nations.

In summary, the United States has taken the lead in promoting environmentally sound economic development. We, and other developed countries, have begun to join forces to bring this critical issue to the attention of all countries and people.

AID, under the Reagan administration, is committed to the specific strategies which I've outlined here today. We will support environmentally sound and sustainable economic development in the host countries we assist. We will continue to pursue the critical task of preserving biological diversity.

In all of this, I repeat again—we need your active involvement. We consider you part of our constituency. We've come a long way. We have far to go.

I am convinced, with you, that the protection and enhancement of the environment is essential to the success of sound economic development.

B. Law of the Sea

Document 107

Transcript of a Department of State Press Briefing, March 9, 1983 [1]

U.S. Oceans Policy

SENIOR STATE DEPARTMENT OFFICIAL. Good afternoon, ladies and gentlemen. I am most pleased to inform you that today President Reagan issued a statement of oceans policy and established by Presidential proclamation an exclusive economic zone. [2]

This proclamation of an exclusive economic zone, or an EEZ as it is sometimes referred to, confirms United States sovereign rights and control over the living and nonliving natural resources of the seabed, subsoil, and super-adjacent waters beyond the territorial sea, but within 200 nautical miles of our coast.

The EEZ applies to waters adjacent to the United States, to the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and United States overseas possessions and territories.

The EEZ is widely regarded as a lawful claim of jurisdiction under international law. Over 50 nations already claim some form of EEZ, and it is included in the recently completed Law of the Sea Convention.

The President's proclamation clearly establishes United States jurisdiction and control over seabed mineral resources off the coast but within 200 nautical miles.

The President's proclamation does not materially affect our existing jurisdiction over fisheries resources.

In establishing an EEZ, the United States has limited its claim of jurisdiction to resource-related rights. Within our EEZ, all nations will continue to enjoy nonresource related freedom of the high seas, such as navigation and overflight.

Ladies and gentlemen, I would be happy to take your questions.

Q. How does this relate to the Law of the Sea treaty. Is this in place of our signing it?

A. As you know, the President decided in July of 1982 not to sign the Law of the Sea treaty, [3] and at that time we undertook a very extensive review of the next step as far as oceans policy was concerned.

Our objection to the Law of the Sea treaty turned around the deep seabed mining portions of the text, not the non-deep seabed mining—not the non-deep seabed portions of the text.

Consequently, we view this step of the declaration of an economic zone following this review to be a positive, next step in terms of the development of our oceans policy. We feel that it is completely in accord with international law as that international law is embodied in those portions of the LOS convention that covered this area. So we think that this is the appropriate way to move at this time, and that is the relationship to the LOS treaty.

Q. Is this consistent with the Law of the Sea?

A. Yes. I believe I just answered that. It is consistent with international law as that international law is reflected in the EEZ portions of the Law of the Sea treaty.

It does not stem from the Law of the Sea treaty, but those provisions are consistent with international law.

Q. Just out of curiosity, because I know very little about this—the fact that we're claiming a 200-mile zone around the possessions, such as the Marianas, would the Law of the Sea agreement also envision such a right?

A. The Law of the Sea would envision a right after, of course, it comes into force—it is not in force, as you know, at the present time. It may be many years, if it comes into force at all—but it would

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[1] Source: Department of State files. The briefing was conducted on background by a senior Department of State official beginning at 3:35 p.m.

[2] For text of the President's statement and proclamation, both released on March 10, 1983, see, respectively, *infra* and document 109.

[3] For text of President Reagan's July 9, 1982 announcement on U.S. unwillingness to sign the convention, see *American Foreign Policy: Current Documents, 1982*, p. 360.

provide for the establishment by signatories to the agreement based upon international law of such zones.

The zones that can be established—again, I come back to the fact—are clearly a right under international law as it has developed. That is reflected in the treaty so that it would be permissible under the treaty.

But if the treaty were in force, and if the United States were a party to the treaty, we would have the same sort of a situation as far as the economic zone is concerned.

As you can see, it's the portions that are outlined here in the blue.

Q. That applies to possessions like the Marianas and Puerto Rico as well?

A. It applies to the Northern Marianas. The Northern Marianas, the Commonwealth of Northern Marianas, of course is in a developing state, but under the covenant and the U.N. trusteeship agreement, it would be applied—we will apply it to the Northern Marianas, as well as Guam, to Wake, to Midway, to the Hawaiian chain, to Johnston atoll, and to the other possessions within the Pacific area, as well, of course, to Puerto Rico and the Virgin Islands and the continental United States and Alaska.

Q. But that would be consistent with Law of the Sea as well.

A. That would be consistent with the provisions of the treaty. That's correct.

Q. Could the signatories to the Law of the Sea treaty take similar action in respect to their 200-mile limits at the present time?

A. Oh, yes, indeed. That obviously follows from the answer that I just gave. They could indeed do so. Indeed, 56 countries have already established economic zones. These economic zones are, however, varying in nature.

It will be our position that we would be prepared to recognize the establishment of economic zones by other countries even before the treaty comes into force.

If those economic zones are consistent with international law as reflected in the treaty, and if the countries establishing those zones—the coastal states establishing those zones—would recognize the rights of other countries in their zones, and they would not be inconsistent with international law. So that, yes, other countries can establish these zones, many have, and that would be our position as far as recognition of those zones is concerned.

Q. Establishing these zones, of course, you're not ruling out exploration anywhere else in international waters, are you? This is an exclusive zone.

A. No. It is the position of the United States that beyond the 200-mile economic zone that seabed mining —which I believe you're referring to here—is a high seas freedom to be pursued as a high seas right, which basically means that a country would have the right to pursue that as long as it does not interfere with the sovereignty of any other country.

But that is beyond the zone that you're talking about there. It is not within the zone. Resource-related matters within the zone are entirely under the jurisdiction of the coastal state, in this case the United States.

Q. Do you have a rough area for those zones claimed in the Pacific territories there?

A. Yes. I can give you a rough idea. In the statement you will note that it says "in excess of 2,000,000 square nautical miles."

Indeed, the 2,000,000 square nautical miles applies to the zone around the continental United States, but would exclude the Hawaiian Islands and the Pacific area.

If you total up the entire amount, it would be somewhere around 4,000,000 square nautical miles, probably a little over that.

Q. Why 200 miles? Is that a traditional, economic zone? Why not 300, why not 1,000?

A. This is the zone that has really been developed through international law and is reflected in the portions of the Law of the Sea treaty that applies to it, so that you will find there that it is 200 miles.

As you know, the United States already has a 200-mile fishery zone, but the EEZ is something that has come to rest after 200 miles as far as the developing international law of this subject is concerned—as I say, as it has been reflected in the treaty text.

Q. You say here where there's a conflict in zone between a couple of nations, it will be settled in accordance with equitable principles.

What are the equitable principles?

A. The equitable principles would be equity under the particular circumstances, and that may encompass various considerations. It might encompass in some case, medium [*median?*] lines, it might encompass variation from medium [*median?*] lines in other circumstances.

We don't think that all situations are subject to the same sort of resolution, but the resolution between exclusive economic zones should be on the basis of equitable principles.

Q. It will basically be worked out between the two countries involved?

A. That's correct.

Q. Could you expand on any impact the proclamation might have in two areas: On the U.S. tuna industry and in marine scientific research?

A. Yes. I'd be happy to. There is a specific exclusion from the zone for tuna. As you know, since the passage of the Magnuson Act in 1976, the Fisheries Conservation and Management Act,[4] there has been an exclusion for highly migratory species of tuna.

We do not recognize the jurisdiction of any other coastal state, and we do not assert jurisdiction in the United States beyond 12 nautical miles over tuna.

This particular exclusion is also made from the assertion of fisheries jurisdiction within the economic zone. So the economic zone then will specifically exclude tuna.

As far as the marine scientific research is concerned, although the provisions of the Law of the Sea treaty applicable in this area would give us the right to assert jurisdiction over foreign flag vessels doing marine scientific research in the U.S. exclusive economic zone, we have determined that we will not assert that jurisdiction. That the matter of freedom of marine scientific research is an important one to this country and to its scientific community, and we will not assert that.

However, we will recognize the assertion of such authority by other states having economic zones as long as that assertion is consonant with international law and it is asserted in a reasonable way.

Further, we will assist U.S. scientists in achieving the necessary authorization in those cases to undertake this research. But the United States has determined that, although it would have the right to do so, it will not assert this right over marine scientific research in its zone.

Q. In just one other area: Would this have any impact at all in the negotiations in the International Whaling Commission—on the moratorium?

A. No. This will not have any impact on the IWC at all. We will continue as far as the situation on marine mammals is concerned, and particularly on the IWC to recognize the IWC protection of whales.

As you know, at the present time we defer on marine mammals to the appropriate international agreements in that connection, and we will continue to do that, although we clearly have the authority under the economic zone to control those, but we will handle it in that way.

Q. A simple-minded question, but if this is consistent with the Law of the Sea why didn't we simply sign the Law of the Sea?

A. I think I answered that question just a few moments ago, when I said that the reason that we did not sign the Law of the Sea treaty was because the President's concerns and objectives that he stated in January of 1982 simply were not met.

Those related to deep seabed mining. They did not relate to the other portions of the Law of the Sea text which is involved here.

The basic reason, then, for our nonsigning of the Law of the Sea revolves around the deep sea mining aspects. I think that you and probably others are fairly well aware we've made our position quite clear on the reason for non-signing because we did not achieve the changes that we felt were necessary to have a regime for deep seabed mining; that when deep seabed mining becomes economically feasible and appropriate, we would be in a position to appropriately mine under American flag and under the circumstances that we felt would be necessary for mining and neces-

[4] P.L. 94-265, April 13, 1976; 90 Stat. 331.

sary for protection of our economic interest and indeed, our strategic interests. It has nothing to do with this part of the treaty.

Q. Would this proclamation—when does it go into effect? Immediately?

A. Immediately. It went into effect—it will go into effect today. Yes.

Q. Within the Federal bureaucracy there are several agencies and departments which have jurisdiction over various areas that this proclamation affects. Have you decided to name one agency the lead agency for the 200-mile zone or have you decided on a coordinating body, for example?

A. We have made no decisions in that connection yet. The proclamation and the accompanying statement really are as far as matters go at this point. Obviously, I think it can be assumed that certain implementing legislation will be necessary to carry out the provisions of the proclamation. That, of course, is something that has not yet been fully addressed as yet either.

Q. You make this sound like a fairly routine exercise to assert claim to these areas which makes me wonder why it hasn't been done previously?

A. After we made the decision on nonsigning in July, we undertook a very, very thorough review and study of what the appropriate next steps in our ocean policy development should be.

After that rather complete review and after a complete agreement amongst the relevant departments and agencies and a unanimous recommendation of the Cabinet on this matter to the President, it was deemed that this was the appropriate next step to take.

We think that, of course, it clearly signals that the United States will comport itself with international law in this area as that has been reflected in the LOS treaty text. We believe that it will be essentially a model for other countries that will establish such zones, and there will probably be a number of countries that will do this before the Law of the Sea treaty comes into effect. As I say, if it does come into effect.

The more that we can have consistent zones—zones that are essentially consistent with the provisions of the text reflecting international law, the better off we will be. So that we felt that it was a very appropriate step in the development of our national oceans policy in the wake of our decision on the nonsigning of the LOS treaty.

Q. Are there likely to be significant objections from other countries?

A. We consulted very, very broadly in that connection with other countries. I would have to say that there was a somewhat variable response in that connection, although overall the response has been quite moderate.

Those countries that oppose the decision of the United States not to sign the LOS treaty could be in general characterized perhaps as being the most concerned about our declaration here.

There are some countries also that have some question with regard to our position on the tuna exclusion. However, I would remind you that our position on tuna—has been our position since 1976—would continue to be our position even on the hypothetical assumption that the United States were a party to the LOS treaty and the LOS treaty were in force. We would still take the exception on that.

So there's basically no difference on that. However, I think that there is very little question that the countries, both our allies and friends and those that are perhaps not in that category but are concerned with the Law of the Sea, will certainly recognize the United States exclusive economic zone.

Q. Are there any areas like the Caribbean or up around Alaska where our 200 miles bump into somebody else's 200 miles?

A. Yes. You do have areas in the Caribbean. Obviously, you have areas where these would touch, but that would not provide any problem. We would not obviously assert out to the full 200 miles if you had a situation where it would abut against another country's exclusive economic zone.

Q. How about Alaska?

A. You're talking about this area right here with the Soviet Union?

Q. Yes.

A. This is a line of demarcation that was established back in 1967. There is some dispute over this particular part of the area and you see this little white area within the blue, that is being addressed at this present time, but, again, there is not going to be any assertion of our exclusive economic zone that would prejudice the outcome of those discussions with the Soviets.

Q. I don't see it mentioned specifically, but this would also include oil and gas?

A. The zone will include all living and nonliving resources out to 200 nautical miles beyond the territorial sea of the United States, it will remain at 3 miles.

It would also cover the water column above, in terms of OTEC, that is, Ocean, Thermal Gradiance, Wind, Wave, Energy, when that becomes feasible. So that certainly it would cover oil and gas or any other nonliving resource within that area.

Under the situation that exists at the present time, the United States has jurisdiction to all of the shelf, the natural prolongation of the land mass even that goes beyond 200 miles which traces back to the Truman Proclamation in 1945 [5] and the subsequent development of that under the Outer Continental Shelf Lands Act in 1953. [6] That is essentially incorporated within the EEZ proclamation out to the 200 miles.

The only real change, if you're really looking for the specific change is that where the continental shelf terminates before you get out to the 200-mile limit and you have a portion of deep seabed, this would assert the sovereign rights and control over the resources of that portion of the seabed that does not exist now.

In addition to that, as far as fisheries resources are concerned, under the Magnuson Conservation and Management Act of 1976, there is only management of these resources and, of course, as I have said, we are now asserting sovereign rights over those fisheries resources. This, we feel, will be an improved position for the United States in various negotiations that we might be having on fisheries matters with other countries.

Q. In practical terms, what does this mean for foreign fishing rights within U.S. waters, and will the EEZ actually supersede certain aspects of the MCMA?

A. It essentially means virtually no difference as far as the fishing situation is concerned—foreign fishing within U.S. waters, allocation of excess stocks and what not. We do that under the Magnuson Act at the present time. That is going to remain essentially the same as it is now.

I just gave the only real variation as far as the fishery situation was concerned.

I'll take one more question.

Q. I'm a little confused about the relationship of the EEZ to the Law of the Sea treaty because you've said that it parallels in large measure the treaty, and yet you've said—

A. May I correct your—

Q. The EEZ provisions.

A. No. I said that it is consonant with international law and that international law, the balance, is reflected in the EEZ portion of the LOS text. That's quite different than saying that the LOS text is the basis of the assertion of an EEZ. That is not the case. So that is an important distinction and I've tried to make that quite clear.

Q. I note that there are differences. For example, you note that the territorial sea remains at 3 miles and the treaty says it's 12. The treaty system involves a 12-mile territorial sea with notions of transit passage through international straits, et cetera. It sounds like the EEZ proclamation is an effort by the United States not to assure anything off its coast, because, as you said, the United States has most of it already. And on the polymetallic sulphides, the United States has in fact cut the funding for such a program in the U.S. Government for FY 1984. So it's not a coastal justification. Rather, the United States is trying to create a model in customary international law and yet you've said there are 56 states with economic zones of varying claims. And if there is no clear trend in customary international law, why do you say—how do we obtain the consistency with which you're aiming if

[5] Reference is to Policy of the United States With Respect to the Natural Resources of the Subsoil and Sea Bed of the Continental Shelf, Presidential Proclamation No. 2667, September 28, 1945; 59 Stat. 884.

[6] P.L. 212, August 7, 1953; 67 Stat. 462.

the U.S. zone is really just another zone among 57.

A. That's not correct. There is, I think, a clear development within international law that would militate for a zone which is consonant with the provisions of the EEZ in this connection.

The fact that other states have asserted zones that are not consistent with this, of course, we believe is not desirable. Indeed, our position on the recognition of the establishment of other zones by other coastal states would be that they should be consistent with international law, as reflected in the treaty, and they should allow for the rights of other nations within those zones. Indeed, they should not assert rights for jurisdiction beyond what has really been elaborated in the EEZ text of the LOS treaty which is the way these things have developed.

We believe that consistency in the establishment of EEZ's is to be very strongly desired, and that the movement in this direction, we hope, will be helpful in that connection.

Thank you very much.

Document 108

Statement by President Reagan, March 10, 1983 [7]

"Today I Am Announcing Three Decisions To Promote and Protect the Oceans Interests of the United States . . ."

The United States has long been a leader in developing customary and conventional law of the sea. Our objectives have consistently been to provide a legal order that will, among other things, facilitate peaceful, international uses of the oceans and provide for equitable and effective management and conservation of marine resources. The United States also recognizes that all nations have an interest in these issues.

Last July I announced that the United States will not sign the United Nations Law of the Sea Convention that was opened for signature on December 10. We have taken this step because several major problems in the Convention's deep seabed mining provisions are contrary to the interests and principles of industrialized nations and would not help attain the aspirations of developing countries.

The United States does not stand alone in those concerns. Some important allies and friends have not signed the Convention. Even some signatory States have raised concerns about these problems.

However, the Convention also contains provisions with respect to traditional uses of the oceans which generally confirm existing maritime law and practice and fairly balance the interests of all States.

Today I am announcing three decisions to promote and protect the oceans interests of the United States in a manner consistent with those fair and balanced results in the Convention and international law.

First, the United States is prepared to accept and act in accordance with the balance of interests relating to traditional uses of the oceans—such as navigation and overflight. In this respect, the United States will recognize the rights of other States in the waters off their coasts, as reflected in the Convention, so long as the rights and freedoms of the United States and others under international law are recognized by such coastal States.

Second, the United States will exercise and assert its navigation and overflight rights and freedoms on a worldwide basis in a manner that is consistent with the balance of interests reflected in the Convention. The United States will not, however, acquiesce in unilateral acts of other States designed to restrict the rights and freedoms of the international community in navigation and overflight and other related high seas uses.

Third, I am proclaiming today an Exclusive Economic Zone [8] in which the United

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[7] Source: White House Press Release, March 10, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, March 14, 1983, pp. 383–384.

[8] See *infra*.

States will exercise sovereign rights in living and nonliving resources within 200 nautical miles of its coast. This will provide United States jurisdiction for mineral resources out to 200 nautical miles that are not on the continental shelf. Recently discovered deposits there could be an important future source of strategic minerals.

Within this Zone all nations will continue to enjoy the high seas rights and freedoms that are not resource-related, including the freedoms of navigation and overflight. My proclamation does not change existing United States policies concerning the continental shelf, marine mammals and fisheries, including highly migratory species of tuna which are not subject to United States jurisdiction. The United States will continue efforts to achieve international agreements for the effective management of these species. The proclamation also reinforces this government's policy of promoting the United States fishing industry.

While international law provides for a right of jurisdiction over marine scientific research within such a zone, the proclamation does not assert this right. I have elected not to do so because of the United States interest in encouraging marine scientific research and avoiding any unnecessary burdens. The United States will nevertheless recognize the right of other coastal States to exercise jurisdiction over marine scientific research within 200 nautical miles of their coasts, if that jurisdiction is exercised reasonably in a manner consistent with international law.

The Exclusive Economic Zone established today will also enable the United States to take limited additional steps to protect the marine environment. In this connection, the United States will continue to work through the International Maritime Organization and other appropriate international organizations to develop uniform international measures for the protection of the marine environment while imposing no unreasonable burdens on commercial shipping.

The policy decisions I am announcing today will not affect the application of existing United States law concerning the high seas or existing authorities of any United States Government agency.

In addition to the above policy steps, the United States will continue to work with other countries to develop a regime, free of unnecessary political and economic restraints, for mining deep seabed minerals beyond national jurisdiction. Deep seabed mining remains a lawful exercise of the freedom of the high seas open to all nations. The United States will continue to allow its firms to explore for and, when the market permits, exploit these resources.

The administration looks forward to working with the Congress on legislation to implement these new policies.

Document 109

Proclamation by President Reagan, March 10, 1983 [9]

Establishment of Exclusive Economic Zone of the United States

WHEREAS the Government of the United States of America desires to facilitate the wise development and use of the oceans consistent with international law;

WHEREAS international law recognizes that, in a zone beyond its territory and adjacent to its territorial sea, known as the Exclusive Economic Zone, a coastal State may assert certain sovereign rights over natural resources and related jurisdiction; and

WHEREAS the establishment of an Exclusive Economic Zone by the United States will advance the development of ocean resources and promote the protection of the marine environment, while not affecting other lawful uses of the zone, including the freedoms of navigation and overflight, by other States;

NOW, THEREFORE, I, RONALD REAGAN, by the authority vested in me as President by the Constitution and laws of the United States of America, do hereby proclaim the sovereign rights and

[9] Source: White House Press Release, March 10, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, March 14, 1983, pp. 384-385.

jurisdiction of the United States of America and confirm also the rights and freedoms of all States within an Exclusive Economic Zone, as described herein.

The Exclusive Economic Zone of the United States is a zone contiguous to the territorial sea, including zones contiguous to the territorial sea of the United States, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands (to the extent consistent with the Covenant and the United Nations Trusteeship Agreement), and United States overseas territories and possessions. The Exclusive Economic Zone extends to a distance 200 nautical miles from the baseline from which the breadth of the territorial sea is measured. In cases where the maritime boundary with a neighboring State remains to be determined, the boundary of the Exclusive Economic Zone shall be determined by the United States and other State concerned in accordance with equitable principles.

Within the Exclusive Economic Zone, the United States has, to the extent permitted by international law, (a) sovereign rights for the purpose of exploring, exploiting, conserving and managing natural resources, both living and non-living, of the seabed and subsoil and the superjacent waters and with regard to other activities for the economic exploitation and exploration of the zone, such as the production of energy from the water, currents and winds; and (b) jurisdiction with regard to the establishment and use of artificial islands, and installations and structures having economic purposes, and the protection and preservation of the marine environment.

This Proclamation does not change existing United States policies concerning the continental shelf, marine mammals and fisheries, including highly migratory species of tuna which are not subject to United States jurisdiction and require international agreements for effective management.

The United States will exercise these sovereign rights and jurisdiction in accordance with the rules of international law.

Without prejudice to the sovereign rights and jurisdiction of the United States, the Exclusive Economic Zone remains an area beyond the territory and territorial sea of the United States in which all States enjoy the high seas freedoms of navigation, overflight, the laying of submarine cables and pipelines, and other internationally lawful uses of the sea.

IN WITNESS WHEREOF, I have hereunto set my hand this tenth day of March, in the year of our Lord nineteen hundred and eighty-three, and of the Independence of the United States of America the two hundred and seventh.

RONALD REAGAN

Chapter 8. Human Rights, Refugees, Terrorism, Narcotics

A. Human Rights

Document 110

Report Prepared by the Department of State, February 1983 (Extract) [1]

U.S. Human Rights Policies and Accomplishments in 1982

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Human Rights in International Relations

How to embody the fundamental principles of democratic societies—human rights—in foreign policy has become an especially pressing question for the United States. Because Americans are of many faiths and ethnic heritages, the national identity of the United States is more constituted by its political principles than is that of any other powerful nation. The United States fought its bloodiest war not for territory but to free the slaves. In fact the United States, protected from the harsh necessities of foreign policy by two great oceans only entered world politics in a serious way when impelled to do so by its sense that freedom was threatened. The three times when the United States recommitted itself to active involvement with the outside world—whether in wars for the liberty of Europe or in the Marshall Plan—it has done so because it felt called to the defense of human rights.

The attempt to make foreign policy serve human rights confronts several specific problems that must be faced in developing a policy.

A continuing problem for human rights policy is the fact that it traditionally aims at affecting the domestic behavior of other countries, while governments are reluctant to alter their nation's political system for foreign policy reasons. The leverage that the United States does have is strongest in friendly countries, where we have more access and more influence. Such influence is an important resource in pursuing human rights, but its concentration in friendly countries creates a danger: human rights policy might highlight and punish human rights violations in friendly countries, while giving unfriendly countries immunity. If this took place it would blind men to the complex geography of human rights abuses in the world. Moreover, a nation that came to display a general pattern of undermining or estranging friendly governments would obviously limit its future influence over them, including its influence over their human rights behavior. This is a second problem of human rights—the need to avoid pressing only where our influence is greatest rather than where the abuses are greatest.

There is a danger that human rights policy will become like the labor of Sisyphus because it deals only with effects and not with their causes. To take an example, it is important not only to free political prisoners, but also to encourage conditions in which new political prisoners are not taken. Many, although not all, of the things we consider rights are difficult to implant in adverse conditions. This fact creates the danger that by aiming at too much we will not get what is really possible. The founders of the Weimar Republic, by aiming at a democracy stripped of all the authoritarian features of imperial Germany, created a system so fragile that it was overwhelmed by something wholly barbaric in only 14 years. On the other hand, there still exist in many areas of the world indigenous traditions of decency that coincide in part with the human rights tradition. The best hope for creating the preconditions of effective human rights observance may sometimes lie in working on the basis of these traditions.

For all these reasons, a human rights policy, unless it is very carefully construct-

[1] Source: *Country Reports on Human Rights Practices for 1982: Report Submitted to the Committee on Foreign Affairs, U.S. House of Representatives, and the Committee on Foreign Relations, U.S. Senate, by the Department of State*, Ninety-eighth Congress, First Session, Joint Committee Print (Washington, 1983), pp. 5–10.

ed, runs the danger of being ineffective. And if it is ineffective it can also be counterproductive, creating additional resistance to improvement in human rights. It can embitter bilateral relations with other countries, increasing international tension.

Efforts for human rights in the years before 1914 had the advantage that all of the major powers respected, at least in principle, the same conception of human rights. If their practice often failed to live up to their principles, there was a perceived legitimacy to the principles that caused each of these countries to develop in the direction of greater equality before the law and more and more scrupulous adherence to human rights. Because of the fundamental consensus on human rights issues, the great powers that diverged most in practice from the international consensus, such as imperial Russia, did not try to export an alternative ideology.

The fundamental consensus on human rights was broken after World War I by the successive emergence—in Russia, Italy, and Germany—of totalitarian regimes among the major powers. These political systems were visibly founded in opposition to the way of life of the increasingly democratic Western World. They rejected in principle the ideas upon which were based the great movement for human rights after the American and French Revolutions.

The world after 1945 has been characterized by competition between two nations that embody principles—the United States and the Soviet Union. The United States is the nation that has most vigorously undertaken the effort to make human rights a specific part of its foreign policy. The Soviet Union, on the other hand, is ruled by a very small elite through a massive bureaucratic and policy apparatus. Its regime inherits in a modified form the Marxist tradition that reacted against the philosophic ideas on which the original human rights concept was based, and superimposes this on a heritage of absolute monarchy. In contrast to the Western democracies, whose original human rights principles gradually radicalized themselves, producing a greater and greater transformation of social life, the alternative Marxist conception of justice in the USSR was soon withered by tactical compromises with the necessities of absolute rule.

The effect of Soviet foreign policy has not been to encourage human rights. The Soviet Union dominates, without their consent, not only the non-Russian peoples of the former Czarist empire, but also the nations of Eastern Europe. The efforts of the people of East Germany, Hungary, Czechoslovakia, and Poland to create freer and more open systems have all been frustrated by Soviet intervention or pressure. In 1979 the Soviet army invaded Afghanistan to impose a government unacceptable to the overwhelming majority of the Afghan people. In the developing countries, the Soviet Union has a tendency to use its influence to move governments toward political structures of the Soviet type where possible. For example, in Ethiopia, whose current government is already a friend of the Soviet Union in its foriegn policy, there has been persistent Soviet pressure to create a communist party on the Soviet model. Thus a world in which several major powers were in theoretical agreement over human rights has given way to a world in which the two greatest powers are fundamentally divided over this issue.

United States Human Rights Policy

Human rights is at the core of American foreign policy because it is central to America's conception of itself. This nation did not "develop." It was *created* in order to make real a specific political vision. It follows that "human rights" is not something added on to our foreign policy, but its ultimate purpose: the preservation and promotion of liberty in the world. Freedom is the issue that separates us from the Soviet bloc and embodies America's claim on the imagination of people all over the world.

Our human rights policy has two goals. First, we seek to improve human rights practices in numerous countries—to eliminate torture or brutality, to secure religious freedom, to promote free elections, and the like. A foreign policy indifferent to these issues would not appeal to the idealism of Americans, would be amoral, and would lack public support. Moreover, these are pragmatic, not utopian, actions for the United States. Our most stable, reliable allies are democracies. Our reputation among the people in important countries that are dictatorships will suffer if we come to be associated not with liberty, but with despotism. Often the people whose

rights we are defending are the national leaders of future years.

As to the question of tactics, the Reagan administration's test is effectiveness. With friendly countries, we prefer to use diplomacy, not public pronouncements. We seek not to isolate them for their injustices and thereby render ourselves ineffective, but to use our influence to effect desirable change. Our aim is to achieve results, not to make self-satisfying but ineffective gestures.

But the second goal of our human rights policy sometimes can conflict with this search for effectiveness: we seek also a public association of the United States with the cause of liberty. This is an eminently practical goal: our ability to win international cooperation and defeat anti-American propaganda will be harmed if we seem indifferent to the fate of liberty. Friendly governments are often susceptible to quiet diplomacy, and we therefore use it rather than public denunciations. But if we never appear seriously concerned about human rights in friendly countries, our policy will seem one-sided and cynical. Thus, while the Soviet bloc presents the most serious long-term human rights problem, we cannot let it falsely appear that this is our only human rights concern. So a human rights policy does inescapably mean trouble—for example, from friendly governments if the United States Government places pressure upon them, or from the American people if their government appears not to be doing so. Yet a human rights policy embodies our deepest convictions about political life, and our interests: the defense and expansion of liberty.

Our human rights policy also has two sides, the negative and the positive. The negative side is embodied in the way we oppose (through act or word) specific human rights violations in the short term. The positive side is strongly emphasized by the Reagan administration in which we seek over the long term to help democracy, the surest safeguard of human rights. It is a fact that most democracies have excellent human rights records; nothing is as likely as democracy to produce this result.

President Reagan has made the long-term development of democracy throughout the world a central goal of our foreign policy. Too often our human rights policy has been reactive or negative, responding to events by punishing people for bad behavior. The President wishes to go beyond this to an active, positive human rights policy. He outlined his conception in a speech to Parliament in London last June [2] where he announced plans for two conferences that have since been held in Washington: a conference of scholars and experts on the democratization of Communist countries, and a conference on free elections which included political leaders and elections officials from countries throughout the world. In addition, there is now underway a bipartisan study of how the United States can do more to promote democracy, and whether the growth of democratic institutions such as free elections, a free press, free labor unions, or an independent judiciary can be promoted through an appropriate combination of public and private effort. Recommendations for programs are expected this spring. Such programs would by their very nature need to be insulated from United States Government control, and would have to be responsive to the needs and desires of men and women who seek democracy for their own countries.

At the same time, the United States Government has assembled proposals for programs in support of democracy. The executive branch will soon be submitting these proposals for the consideration of Congress. They contain such items as support for free labor movements abroad; working with the AFL–CIO; expanded visitor exchanges of individuals in all age groups; proposed monetary support for publishing and distributing literature and teaching materials on democracy. Also suggested are support for the free press in the form of increased journalists' exchange and training; and support for organizations whose goal is protecting proponents of democracy, whether through observing trials, strengthening judicial procedures, or building intellectual and popular support for democratic institutions and procedures.

Obviously, the positive course of human rights policy is not a substitute for an immediate and active response, including sanctions, for human rights violations when they occur. But the administration believes that we should treat not only the symptoms but the disease—that we should not only respond to human rights violations but also should work to establish

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[2] For text of the President's speech, see *American Foreign Policy: Current Documents, 1982*, p. 14.

democratic systems in which human rights violations are less likely to occur.

Positive policy of this kind will be aided by the genuine echo that the concept of human rights evokes around much of the world, and by the fact that no other conception of political justice has been able to win as much legitimacy over the last 200 years. In aiding this movement, we will not be struggling alone, but assisting the most powerful current of history during the last 200 years. This administration is committed to such a positive effort in support of human rights.

The Congress has already established one human rights program on the positive side. Section 116(e) of the Foreign Assistance Act provides Agency for International Development (AID) funding for programs and activities which will encourage or promote increased adherence to civil and political rights in countries eligible for United States bilateral assistance. In Fiscal Year 1982 AID funded activities of $1,645,250 in 22 countries. Activities included the education and research program of the Inter-American Institute of Human Rights in Costa Rica; support for international observers for the March 1982 elections in El Salvador; strengthening the institutional base of the Indonesian legal system; legal education programs in the Philippines; research on human rights and a public education campaign on civil and political rights by the Liberian Constitution Commission; and publication of the newly revised Zairian Penal Code.

Present United States human rights policy gives special attention to encouraging major improvements in the observance of human rights over the long term. But it does not neglect the simple imperative of responding to the fact of suffering. The United States is a major haven for refugees and the major contributor to the work of the United Nations High Commissioner for Refugees, giving $121.9 million in FY 1982. In FY 1982 the United States contributed over $14 million to the International Committee of the Red Cross for its programs on behalf of prisoners, missing persons, and civilians in wartime.

In the pursuit of its human rights policy the United States uses a wide range of means. Decision on foreign assistance provided by the United States take human rights conditions into account. The transfer of police and military equipment is carefully reviewed in order to avoid identifying the United States with violations of human rights. In addition, human rights policy employs a varied mix of diplomatic tools: frank discussions with foreign officials; meeting with victims of human rights abuses; and, where private diplomacy is unavailing or unavailable, public statements of concern. These instruments are applied in a manner that takes into account a country's history, culture, and current political environment, and recognizes that human rights concerns must be balanced with other fundamental interests. This administration has used all of these instruments at one time or another.

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Document 111

Statement by the Assistant Secretary of State for Human Rights and Humanitarian Affairs (Abrams), February 8, 1983 (Extract) [3]

What's New in the Human Rights Report for 1982

This is the second country report on human rights practices that has been compiled fully under the Reagan administration. [4] It is longer than last year's by roughly 200 pages, and we hope it is more informative as well.

The introduction this year [5] repeats, as I think some of you will have noticed, the central portions of last year's on the philosophical underpinnings of our human rights policy. We reread those sections

[3] Source: Department of State files. Abrams made the statement at the outset of a Department of State press briefing, which he and Charles Fairbanks, Deputy Assistant Secretary of State for Human Rights and Humanitarian Affairs, conducted beginning at 10:04 a.m.

[4] For extracts from the introduction to the first report, see *American Foreign Policy: Current Documents, 1981*, pp. 383–387.

[5] For an extract from this introduction, see *supra*.

and found them utterly persuasive and decided to include them again.

What is new in the introduction is the last part of it, which is an effort to describe how we put together the report and the problems that anyone has, and that we had, in putting together such a report—difficulties in maintaining consistency, difficulties in getting information on certain countries. We wanted to try and give a sense of how we put the report together and what we think the problems with it are.

As to the reports themselves, I think like last year, we have tried to avoid any kind of sensationalism in the tone. We have tried to avoid, to some extent, evaluative adjectives because that's not the purpose of the report. The purpose is to compile facts and report on the facts of the situation to Congress.

I just wanted to make one point about the length of the individual reports. They don't measure anything in particular by the length, the number of pages. To some extent, the length reflects the availability of information; and on some of the worst human rights violators, because they are closed societies, there is very little information available. In other cases, the length may reflect, at least in part, the degree of interest in this country, in the country in question; but length, per se, does not reflect the performance of the country in question with respect to human rights.

Another change in the report this year is the inclusion of separate reports on the Baltic States—Lithuania, Latvia, and Estonia. In previous years, those had been included under the report on the Soviet Union. It was pointed out to us last year that that was an anomaly because the United States, along with a number of its Western allies—Britain, France, Canada, and Germany—does not recognize the forceable incorporation of the Baltic States into the Soviet Union. So why, we were asked, did we not have separate reports on those countries?

We thought that to be a very good question, so this year we do have separate reports. They follow the report on the USSR.

We continue this year with a strong emphasis on political rights and on giving as much information as possible on the question of political rights. First, on participation in governing the country, we have tried to indicate when that participation is real, and when it is not. For example, there is a great difference between membership which can even be imposed in a mass organization organized by, run, and controlled by a government, on the one hand, and real political participation in an open political system in which people do in fact choose the rulers of the country. So we've tried to give some information about what the real form of political participation is.

We have tried to give more information, as we could, about labor unions this year, because it is our sense that trade union movements in a country are both a measure of and a means of political participation by the peoples of various countries. We've tried to show how free the trade union movements are or are not.

We've tried to indicate who actually rules the country in question. For example, we have tried to go beyond saying, "This country is a one-party state." There are some one-party states that have a large bureaucratic party that really does control power. There are other one-party states where, in fact, one man really rules the country entirely on his own. There are others where a small ethnic group or a clique rules the country. We've tried to distinguish those, and give a sense of who is actually in charge: where does power really lie.

We've tried to give more information about elections, going beyond whether elections exist, and saying how free they are. That is, are there multiple candidates so that people actually get a choice? Are the returns fraudulent or are they accurate?

In the case of parliaments or legislative assemblies, we've tried to give an indication of whether they are real. For example, do they ever reject legislation that is put before them? Are all votes unanimous, or are they real, deliberative, and decisionmaking bodies? We've tried to give more information on the independence of judicial systems and on their ability to check government power.

In the area of free speech, we've given, as has been true in past years, information on how free speech is, and we've tried to cover a somewhat new area this year, namely private speech. That is, it is one thing to discuss the ability of people to

discuss political matters in public; it is another, and an interesting question, as to whether they are even free to discuss political matters in private. For example, does the government run such a large network of informers that people will not even feel free to talk about politics in their own homes or in a friend's house? We've tried to give information about that.

Finally, we've tried to give information about the press, as in previous years. As with these other items, we've tried to be more precise about the condition of the press. That is, for example, who owns it? Is it government-owned, or is it not? What is the degree of government control? What is the amount of censorship of the press? We've tried to give a sense of just how free the press is in each of these countries.

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Document 112

Address by the Assistant Secretary of State for Human Rights and Humanitarian Affairs (Abrams) Before the East-West Round Table of New York, April 19, 1983 [6]

Human Rights Problems: Complexity and Communism

I am delighted to be here tonight to discuss the Reagan administration's human rights policy.

In my view U.S. human rights policy has two specific goals: to improve human rights conditions in a large number of places around the world, so as to benefit the people who live in those places; and to make clear the continuing commitment of the United States to the cause of liberty throughout the world. These goals are, of course, not inconsistent; indeed, they are inseparable. Yet, in practice, formulating a policy which achieves both is extraordinarily difficult.

I would like to suggest that it is extraordinarily difficult for two very different reasons and then to discuss both. The first reason I will call complexity; and the second I will call communism.

With respect to complexity, I refer to the great difficulty in determining what U.S. Government actions will in fact help achieve human rights in a large number of specific cases. In a sense, the easiest aspect of this problem is the choice between public pressure and quiet diplomacy. One must gauge which, in the specific country in question, is, for example, more likely to get more people released from jail next week or more likely to prevent the torture of political prisoners. This is a tactical question, but one which quite obviously can be very difficult.

I think our general views on this are by now clear. We believe that where there are good relations between a foreign government and the U.S. Government, and our influence is considerable, we should use it first through diplomatic channels. Among the advantages of this route are the careful control over it we can exercise; the fact that issues of American arrogance or neocolonialism, or a foreign government's sensitivity to public pressure and to its own sovereignty, are minimized; and the fact that we avoid adding inadvertently to any campaign aimed at delegitimizing or destabilizing the government in question.

I do not suggest that a campaign of silence will produce very much but those who urge that the State Department engage often in public denunciations mistake, I think, its proper role. I do not suggest limits on public discussion by Congress or by human rights organizations—merely by the Executive. Clearly pressure from the public, nongovernmental organizations, the press, and most of all the Congress are useful if diplomatic pressure is to be fully effective. But I would caution against a confusion of roles here.

The question of what U.S. Government actions are helpful becomes even more difficult if one is asking, not how to get a few prisoners out of jail, but rather how to evolve a system in which no political prisoners are taken. What should the United States actually do to help Argentina return from military rule to civilian rule? Is there an American role in the negotiations between the multipartidara and the military? Precisely how should we use our influence

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[6] Source: Department of State files.

in South Africa so that that country evolves in the direction of racial peace and democracy rather than in the direction of bloodshed and repression? What should be our role with respect to National Party politics? Should we attempt to help a reform coalition in South Africa—or are their reforms too pale to lead to any real recognition of the human rights of South African blacks? Considering conditions in Zaire, how can the United States best encourage the development of democratic institutions there?

What influence should tribal divisions, as in Nigeria or Namibia, have over the transition to democracy? To address these issues, we need (to borrow cavalierly from Samuel Huntington) an analysis of the evils of the society, a sense of the goals of reform and of the character of the future society, and a sense of strategy for getting from here to there. Only thus do we know what we are for, beyond saying we are for liberty.

If these questions seem hopelessly complicated that is because they are. They cannot be answered without the closest study of each of the societies in question—and in addition concentrated attention on successful examples of political development elsewhere in the world—from Turkey to Brazil to Meiji, Japan to Mexico to DeGaulle's Fifth Republic. And they will not always be answered correctly. The human rights problem is so complex that mistakes will inevitably be made.

I would suggest that a policy seriously dedicated to helping expand freedom throughout the world must address all of these complexities.

We must learn to deal with the frustration that flows from partial success in our efforts to improve respect for basic human rights. Limited success is frustrating in human rights, as it is not elsewhere. In other areas of foreign policy, any advance is a gain. In human rights, partial success is always shadowed by the fact that any remaining human rights violation is still unconditionally repugnant. And, in human rights policy, we are dealing with limited success almost by definition. Our human rights policy is concerned about a situation precisely because there are serious abuses there, abuses that are not superficial and therefore not easily removed.

Through the historic encounter of America with human rights problems, there have been two traditions of response to this frustration. The first tradition has been the dominant one because it accords with American ways of doing things in other areas. When Americans are concerned about righting a moral wrong, we are traditionally willing to work and to sacrifice to achieve our ideals. We generally commit ourselves to effective action on behalf of our principles. We are willing to make the intellectual effort to understand a complicated reality when we want to change it. We are willing to commit resources. We are willing to give of our own labor and efforts. And, when it is a question of diminishing suffering and injustice, we stick to an effort in spite of complications and difficulties.

This administration believes that U.S. human rights policy must be carried out in the spirit of this dominant American tradition. We must be hardworking, hardheaded, and realistic. Our efforts for human rights should understand the reality we are facing honestly and clearly, and deal with it by an active policy which employs all the leverage and influence we are able to muster. In human rights as in other areas of foreign policy, we will not achieve our goals if policy is reactive or passive, or results in our avoiding problems because they are difficult or frustrating.

There has been another, less influential, American tradition of response to frustration in the face of a complex moral task. In the 1840's and 1850's, this tradition was represented by the attitude of some extreme abolitionists in the face of the entrenched evil of slavery. This group of abolitionists was quite willing to see the secession of the slave states from the Union. Then the United States would no longer be contaminated by any complicity in the evil of slavery. The evil itself, of course, would have continued unabated, and the breakup of the Union would have ended the existing leverage for restricting slavery. This tradition saw that one way to avoid being implicated in a moral evil is to place yourself in a position where you cannot do anything about it.

Abraham Lincoln, the statesman who achieved the end of slavery, rejected this approach. He rejected it because he could not admit that the surrender of hope and effort ought to be the sign of moral nobility. He preferred to change the world, even at the cost of the compromises and contradictions every historian recounts.

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The second tradition rejected by Lincoln reappears in our time in one aspect of human rights policy. This aspect concentrates on *acts of abstention and withdrawal.* That is, proper human rights policy consists of terminating economic assistance to countries where there are continuing problems, of *not* giving them diplomatic support, of *not* voting for multilateral loans to them, of *not* licensing crime control equipment to them, of *not* supplying military assistance and training, and so forth.

I do not disparage these specific instruments of human rights policy. They have an important place as part of an integrated policy, and the Reagan administration has used them along with other methods of diplomacy. But if abstention and withdrawal become the whole of our human rights policy, that policy will be both ineffective and unworthy of us.

There is a view that the most heroic act we can do for freedom and justice is to keep our hands clean and sit back feeling good about ourselves. It is difficult to believe that this course exhausts the idealism of the American people. Is this the most sophisticated policy we can evolve for human rights? Human rights deserves more. Human rights deserves a policy that grapples with complexity, is willing to make an effort, and one that is patient and determined rather than fitful and episodic.

This is the moral outlook that guides the policy of the Reagan administration. We want to improve conditions in the world where we can. To do so, we must deal with countries as they are. We must work with the existing facts and with hard cases. To flee these cases would be to evade our responsibility. To face them, to understand them, to roll up our sleeves and build the means for changing them is in the best tradition of America.

Let me turn now for a moment to the other problem I mentioned before—the problem of communism. Or perhaps more accurately, of communism and of Soviet power. To begin with the latter, the USSR and the United States are by far the world's strongest powers. The United States is a free country and its influence is, all other things being equal, in favor of democracy. The vast power of the Soviet Union, on the other hand, is exercised to confuse human rights issues in international discourse, to install despotic regimes in power and support others whose crimes have deprived them of any support from their population—witness Afghanistan and Cambodia. Some of this role is shaped by ideology, some by cynical power-politics. When the United States, disgusted by human rights violations in Ethiopia, terminated our military aid to Ethiopia (FYI: under Carter), it was the Soviet Union that stepped in with billions of dollars in arms and with Cuban regiments. We are seeing the same cynicism today with Cuba and Suriname. Cuba, seeing a weak dictator who has just started the practice of killing his opponents, immediately sees this as an opportunity to gain—not to protest, but to develop a cozy relationship. The conclusion we have to draw is that the East-West struggle matters a *great deal* for human rights. Let me acknowledge right now that I take the comment that this administration puts human rights policy in an East-West framework to be descriptive rather than critical.

There is another problem with communism itself, rather than Soviet power. Many regimes violate human rights. But Communist regimes tend to *export* their human rights violations. If you compare Haiti and Cuba, Nicaragua and Guatemala, Vietnam and the Philippines, this is the conclusion to which you will be forced. In addition, Communist regimes tend to be much more enduring than non-Communist dictatorships. It is a fact, in spite of the magnificent experiments of Poland and Czechoslovakia, crushed by Soviet pressure, that no Communist ruling elite has relinquished power since 1919. So Communist regimes are the source of particular human rights problems. This does not mean we judge a non-Communist human rights violation less harshly. It is the policy of the U.S. Government to respond to all human rights violations as best we can, no matter who does them. But it does make a difference when we confront complexity—when we don't know what will happen if a government falls.

As we see in Nicaragua, a crucial question which we need to ask about every government which abuses human rights is what the alternatives are. Surely this is one lesson we can learn from Vietnam. Just as the opposition in Vietnam consisted of a number of Communist and non-Communist elements, so it does in El Salvador; yet we are persuaded that should the left come to power there can be no doubt that the armed elements tied closely

to the Soviet Union—and hawking the Soviet propaganda line on all international issues—would in fact take over. In the light of our experience, even a highly imperfect regime may well give a much better prospect of democratization than would the Communist regime that might follow it. It is therefore no contribution to the cause of human rights to replace a regime we can work with and improve, with a Communist regime.

What this means is that the United States is at times reluctantly compelled to support regimes which abuse human rights, because we think that their replacements would be much worse for the cause of human rights, and because we think that American (and other) pressure can greatly improve these regimes over time.

It is clear that this policy of resisting Soviet expansion and the expansion of Communist systems throughout the world has subjected us to great criticism, because in pursuit of this policy we sometimes work closely with regimes which abuse human rights. How does this fit, we are asked, with our stated goals of seeking real human rights improvements and seeking to make clear the continuing American commitment to liberty? I should think my answers to this are obvious. In the real world the choice is frequently not between good and bad but between bad and worse or, perhaps more accurately, bad but improvable, or worse and permanent. To prevent virtually any country from being taken over by a Communist regime tied to the Soviet Union is in our view a very real victory for the cause of human rights. Of course, it is very difficult to demonstrate to a large number of people that we are committed to the cause of liberty when we have good relations with a repressive regime which we seldom criticize publicly. I don't deny the seriousness of this problem, but I want to make clear why I think it exists. I think it exists because so many people in the West will no longer grant the moral imperative of resisting the advance of communism. In Europe, for example, this produces a particular anomaly: one meets many people who will grant that the political distinction between West and East, the distinction between the Western political systems and the Soviet political system, is that between freedom and its absence, and is therefore a moral distinction. Yet many of the same people refuse to grant the same moral dimension to the struggle to resist the expansion of that very same Soviet system throughout the world. It is here where we disagree. In my view, resistance to the expansion of communism is essential to a human rights policy.

In Vietnam and in Nicaragua, we were told that the government we supported was corrupt and oppressive, and that the other side was the progressive side, and would respect democracy. We were told that human rights would gain if the other side won. We now hear this argument again about El Salvador—indeed in Europe it has been thrown at me daily.

This is in my view blindness. How many times must we learn this lesson? This much I strongly urge upon you: that it is no part of a human rights policy to allow the governments of El Salvador or Honduras, to take two current examples, to be replaced by Communist dictatorships. To acquiesce in this, to withdraw our support from these governments at this junction, would make a mockery of our concern for human rights. For our goal is not purity; we do not live in Utopia. Our goal is effectiveness in a violent and bitterly divided area of the world. Once again, I would never argue that all those opposed to these regimes are Communists. I do argue, however, that the extremists would take power, and regimes would emerge which would impose Communist dictatorships, with all that that means for human rights.

Human rights policy is, inevitably, a difficult mixing of the highest idealism, with practical politics. It isn't easy, to practice or indeed even to explain. Yet the marriage of ideals and politics is an old American practice—as old as the country itself. We are committed to this effort, as the President has made clear time after time. Human rights policy has always been, and remains, a central element of American foreign policy. And in our part of the 20th century, resistance to communism must be a central part of any sensible human rights policy.

Document 113

Statement by President Reagan, December 9, 1983 [1]

"As Americans, It's Our Responsibility To Speak Out Against Blatant Affronts to Human Rights"

I thank you all for being here today to underscore our national recognition of human rights. The degree of freedom in our country is something of which Americans are rightfully proud. Unlike many other countries which find their cohesion in cultural and social traditions, the citizens of our country find their unity and their heritage in the liberty that is shared by people with diverse cultural backgrounds.

When Americans think about the nature of human rights, we begin with what Abraham Lincoln called "the definition and axioms of free society contained in the Declaration of Independence." Well, that testament of liberty declares that all men are created equal and are endowed by their Creator with inalienable rights.

To secure these rights, it states "governments are instituted among men deriving their just powers from the consent of the governed." Well, those words reveal the meaning of human rights and our philosophy of liberty that is the essence of America.

Sometimes we in free countries forget the richness of that precious possession. Our human rights are respected, so our freedom is almost indivisible—invisible, I should say.

There are no walls, no troops or guns to prevent us from traveling. There are no guards at our churches or spies in our congregations. And there are no censors at the newspapers or universities. People who live in tyranny, however, can see freedom much more clearly. It shines like a candle in the midst of darkness and America's freedom shines through a world of stormy seas, giving hope to tens of millions of people for a better way of life.

As Americans, it's our responsibility to speak out against blatant affronts to human rights. Yes, we must and we will speak out against the incarceration of Soviet dissidents in psychiatric wards, against the barbaric persecution of the members of the Bahai faith in Iran, against the racial injustice of the apartheid system in South Africa and against the persecution of the Catholic Church and the Solidarity labor movement in Poland.

Just a personal note of regret, it's particularly unfortunate that Solidarity leader Lech Walesa, who has been awarded the Nobel Peace Prize for his valiant efforts to achieve peaceful reconciliation within Poland feels that he cannot leave his own country to accept that prize out of concern that he would not be permitted to return.

We cannot believe in human rights and ignore the activities of death squads in some Central American countries, the persecution of the churches and to the Miskito indians in Nicaragua, and the resurgence of repression against national and religious groups in the Soviet Union, including Jews, Baptists, Lithuanian Catholics, Central Asian Moslems, and even members of the Russian Orthodox clergy.

We will, of course, maintain a strong defense, but an equally potent weapon against tyranny is to proclaim the truth. I think one of our great failings has been permitting leftist dictatorships to seize the initiative in the international debate. The adversaries of freedom allocate enormous resources to promote their brutal systems and propagate blatant lies. But we in the democracies, in comparison, have spent far too little to offer the world our message of democracy, human rights, and truth.

To turn this situation around, I've made supportive democracy a central goal of American foreign policy. And, specifically, to correct these communication gaps, we are significantly expanding the international broadcasting capabilities of the United States. We are strengthening oper-

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[1] Source: White House Press Release, December 9, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, December 12, 1983, pp. 1668–1670. The President made his statement at a signing ceremony in the Old Executive Office Building for Proclamation 5135 declaring Bill of Rights Day, Human Rights Day, and Human Rights Week 1983. For text of the proclamation, see *ibid.*, pp. 1670–1671.

ations of the Voice of America. Radio Free Europe, Radio Liberty, and we are establishing Radio Marti to communicate (applause) directly with the Cuban people. (Applause)

Saint John told us, "Ye shall know the truth and the truth shall make you free." Well, in many countries people aren't even allowed to read the Bible. It is up to us to make sure the message of hope and salvation gets through.

You know, I should have brought it with me, although maybe some of you have seen it, but I have a little book, about that big, about that thick, that contains a verse or two, printed in small type in that little thing, from the Bible. It was smuggled out of Russia and was finally delivered to me as an example of what they do just to try and cling to their faith and belief, that when someone has a Bible, they then take just a verse so that everyone can have at least some words—a few words of the scripture and in something that can be easily hidden. And that, when we think of our own freedom, makes it very evident.

I've done something else—I have to interject here, although this is not an occasion for humor. But, I've had a kind of a hobby, lately, of collecting by way of dissidents, stories that are told behind some of those iron curtains and those iron walls by the people themselves, showing their own cynicism about the system under which they are forced to live.

And one recently that I heard had to do with three dogs that were having a conversation: an American dog, a Polish dog, and a Russian dog. And the American dog was telling him about how well he barks, and that in our country his master gives him some meat. The Polish dog says "What's meat?" And the Russian dog says, "What's bark?" (Applause)

But seriously, all of us who live in freedom are linked in spirit with those brave men and women being persecuted for demanding their rights or struggling to establish democracy.

With us today in the front rows and on stage are a number of courageous individuals who have suffered for their belief. in human rights and democracy. They come from countries which differ markedly from each other, and yet they are all heroes of the same cause. Their devotion to political and religious liberties unites them as it unites all of us who are committed to the freedom of mankind.

I note with sadness and concern that one hero not with us today, Dr. Andrei Sakharov, is reported to be seriously ill. This good and courageous man has struggled for years on behalf of human rights and he's now banished to the city of Gorki supposedly free. He just can't leave Gorki. It's my hope that in the name of humanity the Soviet authorities will permit this noble individual to live his life in freedom and dignity.

In honoring these heroes today, we proclaim our confidence that good and decent people will triumph over evil. Dictatorships can pass away. On the right we've seen it happen in recent years, in Spain, in Portugal, in Greece, in Argentina.

On the left, totalitarian ideologies that brutalize human beings rebuild mankind into that which it is not are destined to fail. Totalitarianism on the left, just like Nazism before it, will be discarded by a disgusted humanity. Much depends on us, but we can be confident that the tide of history is indeed running on the side of freedom.

This month marks the anniversary of two milestones in mankind's journey to freedom. December 15th is the 192d anniversary of our Bill of Rights and 35 years ago, recoiling from the horror and the destruction of World War II, on December 10th the United Nations adopted the Universal Declaration of Human Rights. Those of us who went through that terrible conflict saw the Declaration as an important international standard, something that could help build a better world. Well, today we reaffirm our commitment to the ideals expressed in the Declaration.

To commemorate these advances in freedom, I am declaring December 10 Human Rights Day, the week beginning December 10 as Human Rights Week, and December 15 Bill of Rights Day. Let this be a call to action for all Americans. We must rededicate ourselves to respect at home for those fundamental human rights which form the basis of our self-definition as a people and a nation. We must also assure those brave men and women struggling for democracy around the world that we will be true to ourselves by supporting our common cause.

I thank you very much. God bless all of you and, with that said, I will sign the declaration.

B. Immigration and Refugees

Document 114

Prepared Statement by the Commissioner of the Immigration and Naturalization Service, Department of Justice (Nelson), Before a Subcommittee of the Senate Judiciary Committee, February 28, 1983 (Extract) [1]

Proposed Sanctions Against the Hiring of Illegal Aliens

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The conditions which have led to our present problems in immigration are neither new or unusual. The United States has for many years presented an attractive lure to people from much of the world. The individual freedoms of its residents and the opportunity to better one's place in life has encouraged immigration since the very beginning of our country. Because of this, we have developed as a nation of immigrants with all the benefits which people from every part of the world can provide.

We must recognize, however, that there are limits to the number of immigrants which the country can reasonably accommodate and most of all, immigration must be a controlled process accomplished under the provisions of law. The Immigration Reform Act of 1983 [2] recognizes the historical role of the United States as the receiver of immigrants while placing the necessary controls on immigration.

As stated before, we believe the legislation achieves the balance necessary for fair and controlled immigration.

Through the placing of sanctions on the hiring of illegal aliens or those who are not authorized to work in the United States, the bill addresses one of the primary reasons aliens enter illegally or after legal arrival, violate the conditions of their admission.

By providing for the legalization of aliens who have resided in our society for several years, the bill recognizes the reality of this situation and presents a humanitarian and realistic approach. To attempt a mass deportation or to ignore this population as we enforce employer sanctions would be disruptive and contrary to our democratic principles.

The bill recognizes that employers may have legitimate short term needs for foreign workers especially as employers sanctions are implemented in agriculture or other industries and provides the means by which workers may be allowed to enter if their entry will not create a disadvantage for domestic workers.

Although we have discussed many of these points before, I would now like to comment on the specific provisions of S.529.

While the actual number of illegal aliens is unknown, the most frequently cited numbers range from 3.5 to 6 million. The presence of large numbers of illegal aliens in the United States and the continuing entry of others is an unacceptable situation and has destroyed much of the confidence and respect which the law deserves. Immigration must be a controlled and orderly process which reflects the best interests of our nation.

A cornerstone of the bill is the sanctions which would be imposed on the knowing hiring of aliens not authorized to work in the United States. Although there are other reasons for illegal immigration, employment is the most compelling. We feel that this provision is absolutely essen-

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[1] Source: *Immigration Reform and Control Act: Hearings Before the Subcommittee on Immigration and Refugee Policy of the Committee of the Judiciary, U.S. Senate, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 441–445.

[2] Reference is to S.529, many of whose provisions are detailed here, which passed the Senate on May 18, 1983. A different version passed the House of Representatives on June 20, 1984, but the bills died in the 98th Congress when the conference committee failed to work out a compromise between the two versions.

tial to gaining control of our borders; only through this means can we remove the magnet which attracts so many illegal aliens to our country.

The bill makes it unlawful to knowingly hire, recruit, or refer for employment an alien not authorized to be employed in the United States, and makes it unlawful to continue to employ an alien hired after the enactment of the statute knowing that the alien is not authorized to work in the United States. The bill requires that a person who hires, recruits, or refers an individual for employment must complete a form for each individual and attest under penalty of perjury that the person's right to be employed has been determined through an examination of documents which identify the individual and show that he or she is eligible to be employed in the United States. An individual who seeks employment in the United States must complete a form and attest under penalty of perjury that he or she is a United States citizen, an alien who has been admitted for lawful permanent residence, or an alien who has been authorized for employment.

The administration believes that these provisions are appropriate as a means of controlling illegal immigration to the United States while safeguarding civil rights. Equality of employment opportunity for United States citizens and lawful permanent residents is not diminished by this bill. The recordkeeping requirements of the bill balance the burden of additional paperwork with the need to provide employers with a means to prove that they have complied in good faith.

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Document 115

Statement by the Assistant Secretary of State for Consular Affairs (Asencio) Before a Subcommittee of the Senate Judiciary Committee, February 28, 1983 (Extract) [3]

Reservations on Proposed Immigration Reform and Control Legislation

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We continue to believe in the need for measures to regularize the status of some of those in the United States illegally, to reduce the pull factors that induce such illegal migration, to expedite administrative procedures relating to admission, exclusion and deportation, and to embody the solutions to the problems resulting from illegal migration in an overall package approach.

In connection with the regularization of status proposal, I would also note that it would serve not only our own interests but would diminish the concerns expressed by Mexico and other countries respecting the circumstances of their nationals in the United States.

I shall defer to the views of the agencies more directly affected by many of the issues covered in this legislation and address primarily those items of special interest to the Department of State in the substantive sense.

We sympathize with the quite reasonable desire to have better control over the number of people coming permanently to the United States. However—and in the context of the Attorney General's qualifier [4]—we have not lost our substantial reservations about the wisdom and practicality of an overall cap on migration that includes immediate relatives.

We also hold the view that legal immigration is not such an immediate problem as illegal immigration. As opportunities

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[3] Source: *Immigration Reform and Control Act*, pp. 453–455.

[4] Reference probably is to Attorney General Smith's earlier testimony before the same subcommittee. See *ibid.*, pp. 426–430.

for immigration by family members of resident aliens decrease under the numerical limit, there would be a natural, but in our view, improper incentive to naturalization solely to confer immigration benefits on relatives. This would lead, we believe, to a consequent increase, not only in immediate relative immigration, but also in demand for immigration by other relatives of U.S. citizens, such as unmarried and married sons and daughters.

In short, we foresee substantive repercussions arising from these proposals, although they would pose no practical problems for us in terms of implementation.

Such a diminution in family reunification immigration will also put the United States in an awkward position with respect to the Helsinki accords. As opportunities for Eastern Bloc relatives to be reunited in this country diminish, our credibility on the issue of divided families would also diminish.

We appreciate the general validity of the user fee concept. However, the Department has grave foreign relations and other reservations about the imposition of such fees at U.S. land border ports of entry.

The mere imposition of such fees would itself almost certainly appear to Mexico and Canada as inconsistent with the spirit of cross-border cooperation which the President has emphasized.

This reaction, based on a matter of principle, would at a minimum be another irritant in bilateral relations and could lead to reciprocal action.

In addition to these foreign relations concerns, we are disturbed by the essential impracticality of this provision and its seeming unfairness.

We are convinced it is not reasonably manageable. It is obvious that a simple unmanned toll-booth operation would not suffice, not the least of its shortcomings being that it could account only for the passage of the vehicle and not for the number of passengers, let alone their nationality.

Thus, the mechanics of collecting fees at land border ports could well create unthinkable delays in the inspection system itself, further exacerbating the negative reaction in the neighboring countries.

There would also probably be criticism of the requirement that aliens be charged the full costs of installations which are also used by U.S. citizens.

We welcome the consensus on the need for special asylum officers and are pleased that the bill calls for a consultative role for the Department of State. We believe State's expertise on foreign aspects bearing on asylum questions is essential to their proper adjudication.

We think we understand the motivations for the proposed change in the adjustment of status provisions, but feel it necessary to question their practicality. One can lose lawful status by means other than unauthorized employment. Unintentional overstays are not a root problem. Unauthorized employment is.

With regard to the students provision, we find little merit in dropping the distinction between private students and sponsored exchange visitors. We note also the contrast between our usual emphasis on family reunification and the waiver provision, which would make it possible for certain persons needed by industry to acquire resident status without residing abroad for 2 years, but would withhold that opportunity from the spouses of U.S. citizens and resident aliens.

We have no objections to the proposal to benefit certain international civil servants, their children, and surviving spouses who have long resided in the United States.

Of course, of particular importance to State is the nonimmigrant visa waiver provision. We are prepared to accept the concept of a pilot program, limited in both duration and the number of countries.

We are, however, disturbed by the failure to use a 2-year average as the qualifier for the program. There are economical and political events that skew data from one year to the next for reasons not bearing on whether a country's nationals are good nonimmigrant risks.

Use of only the prior year's data could result in such aberrations as a country not being found eligible which should be or, worse, being found eligible when it should not be.

We recognize that some of the proposals about which we have expressed reser-

vations are predicated on philosophical issues on which reasonable persons can honestly differ. We believe, however, that some may be essentially technical or drafting matters and would be pleased to work with the committee members and staff to develop modifications that would be mutually satisfactory.

Document 116

Prepared Statement by the Director of the Bureau for Refugee Programs, Department of State (Purcell), Before a Subcommittee of the House Appropriations Committee, May 3, 1983 (Extract) [8]

1984 Refugee Assistance Budget

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Our budget request for fiscal year 1984 is $344.5 million. The fiscal year 1984 request is a decrease of $50.0 million from the fiscal year 1983 Continuing Resolution level of funding. Half of this decrease has been made possible by the success of our efforts to reduce refugee admissions to the United States, while continuing to respond to humanitarian needs and U.S. foreign policy interests and responsibilities.

The other half we credit to the absence of such large-scale refugee crises as were experienced in past years, such as the surge of Vietnamese boat people and the Somalia crisis, as well as policy and management initiatives that are containing or reducing the costs of responding to ongoing refugee relief problems. Furthermore, we are pleased with the progress in our efforts to "internationalize" the world's response to refugee problems—that is, to encourage broader participation by other nations in supporting refugee programs, especially other developed countries which are able to carry a bigger share of the burden. We remain aware that the decrease in refugee program needs can be reversed overnight should major conflicts in any of the troubled areas of our world generate new refugee problems.

Our budget request for fiscal year 1984 is presented in four major subdivisions. The first area is refugee admissions, with a request of $117.0 million. This figure is about 34 percent of our total request and a decrease of about $25 million from the fiscal year 1983 funding level. The request is based on the admission of 72,000 refugees to the U.S. in fiscal year 1984, representing a reduction of 18,000 from the fiscal year 1983 consultations level, and one-third the 217,000 consultations level of fiscal year 1981. The 72,000 projected admissions are divided among 46,000 East Asians, 15,000 from the Soviet Union and Eastern Europe, 6,000 from the Near East and South Asia, 2,000 from the Western Hemisphere, and 3,000 from Africa.

Activities required to admit refugees include four areas. First, we request $20.5 million for processing of refugees prior to entry. This includes funding the Joint Voluntary Agency Representatives for processing services in Southeast Asia, Pakistan, and Africa, as well as funding for the voluntary agencies in Europe. Also included are funding of some necessary management services by the voluntary agencies in the U.S., such as a data information system on refugee admissions and American Red Cross tracing activities.

Second, we are requesting about $46.6 million for capitalization of transportation loans through the Intergovernmental Committee for Migration for refugees admitted to the U.S. This takes into account a projected $8 million in loan repayments in fiscal year 1984.

Reception and placement grants to voluntary agencies which provide initial reception and placement services to newly admitted refugees is the third area, with a request of about $39.5 million. This level provides for a small increase over the per-capita amounts budgeted in fiscal year 1983 in order to cover the effects of inflation.

Finally, we are requesting about $10.4 million for the training and orientation of refugees admitted to the United States. We have already in place a sound program of English language and cultural ori-

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[8] Source: *Foreign Assistance and Related Programs Appropriations for 1984: Hearings Before a Subcommittee of the Committee on Appropriations, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), Part 5, pp. 348–349. Purcell testified before the Subcommittee on Foreign Operations and Related Agencies.

entation training for Indochinese refugees awaiting admission in the Refugee Processing Centers. We are requesting funding of program improvements to address the additional training needs of Indochinese refugees least likely to succeed in the United States—those who are preliterate or who have very low levels of learning. In addition, we propose extending our training programs to some other groups of refugees where economically feasible. It is our conclusion, after careful investigation, that the very small program increases in this area will result in significant savings in domestic welfare costs because refugees enter much better prepared for life in the United States, especially to take entry-level jobs.

Funding requested for relief assistance to refugees overseas in fiscal year 1984 is $197.5 million, about 57 percent of our total request and a decrease of $25.8 million from the fiscal year 1983 funding level. Three years ago, the composition of our request was about two-thirds for admission and one-third for relief assistance. We have now reversed these percentages reflecting the determination of the Administration to seek solutions to refugee crises other than admission to the U.S. We have sought to address refugee needs through assistance in the countries of first asylum and through pursuit of repatriation, resettlement in countries of asylum, or resettlement in third countries other than the U.S. We are pleased that we have succeeded in doing so while continuing to meet our humanitarian responsibilities through the admission to the U.S. of those who need this solution and are eligible under law.

The relief assistance category encompasses a number of programs, particularly relief programs identified by geographic area. In addition, we plan to maintain a small fund to foster resettlement opportunities other than resettlement in the United States, including voluntary repatriation and resettlement in place.

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Document 117

Prepared Statement by the Director of the Bureau for Refugee Programs, Department of State (Purcell), Before a Subcommittee of the Senate Judiciary Committee, June 20, 1983 (Extract) [6]

The Definition of "Refugee"

When the Refugee Act of 1980 [7] was adopted nearly three years ago it was hailed as landmark legislation representing a new era in America's commitment to refugees. Although the United States had long been recognized as a leader in world efforts to assist and protect those fleeing their countries to escape persecution, our domestic legislation on the subject had not previously dealt with refugees in a comprehensive and principled manner. The Refugee Act of 1980 changed that, and it is a tribute to this Subcommittee and Committee that the Act has been so widely praised for its statesmanship and adherence to internationally recognized standards.

It will be recalled that in previous decades, although the U.S. had been generous in admitting refugees—Hungarians in 1956, Cubans and Czechoslovakians in the 1960's, Indochinese following the fall of Vietnam in 1975—these programs were carried out under what came to be recognized as a stretched application of humanitarian parole. What had been intended to aid individual refugees had come to serve as a means to admit large groups totalling in the many thousands.

What the process lacked in legal elegance, it made up in serviceability. Consultations took place with Congressional Committees, often at short notice, and decisions were reached providing a specified number of admissions for a particular group or class of refugees. For the groups covered by the paroles it can be said that the system worked, sometimes with such swiftness that it led to the arrival in our

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[6] Source: *Reauthorization of the Refugee Act of 1980: Hearings Before the Subcommittee on Immigration and Refugee Policy of the Judiciary Committee, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1984), pp. 5–14.

[7] P.L. 96–212, enacted March 17, 1980; for text, see 94 Stat. 102.

country of large numbers of refugees with only brief examinations overseas and with limited preparation by the private voluntary agencies that then and now play such vital roles in our refugee programs.

By the late 1970's, the group parole system became increasingly perceived as inadequate to the realities of the modern world. Refugees were appearing in larger numbers, more frequently, in more places. Although there continued to be major refugee exoduses from communist-dominated lands—from Indochina after 1975, from Afghanistan following the Soviet invasion, and in the Horn of Africa—there were also growing numbers of refugees in areas away from the periphery of the communist states. The previous system, which amounted to an ad hoc selection among potential refugee groups, was seen as no longer responsive to the requirements of the new situation. Spurred by the need to cope with the tide of boat people from Vietnam, the Congress and the Administration worked together towards the new definition and procedures embodied in the Refugee Act of 1980.

The centerpiece of the Act is its definition of a refugee.[8] There was little dispute that the definition to be adopted by the U.S. should be consistent with the international standard contained in the 1951 Refugee Convention and its 1967 Protocol (which eliminated the time limitation and the geographical restriction by which the Convention applied only to Europe). In the intervening years some 92 countries, including the United States, have become parties to the Convention or its Protocol, reflecting a general perception in virtually all regions of the world that the international definition properly identifies the class of persons in distress who merit the special protection and assistance that the international community has established for refugees.

Because the word "refugees" is often used loosely to describe people in various kinds of difficulty, it is sometimes made more precise by reference to "Convention" or "Protocol" refugees. For example, in recent months we have seen the word "refugees" applied to such persons as West Africans returning to their home countries after being expelled by Nigeria as illegal immigrants, to Africans seeking new sources of food in the face of drought, even to residents of our own western states forced to evacuate their homes during spring floods.

What the international definition provides is a recognition that refugees in the legal sense form a distinguishable category of persons in need. A body of law, practice and programs has grown up around this concept, with the result that helping refugees has taken on a status—even a stature—that defines it and separates it from programs to relieve other areas of human suffering. It has been said that the U.N. High Commissioner for Refugees should not be considered "the High Commissioner for all good causes," a statement that recognizes that refugees are not the only persons in need, even as it emphasizes their special status.

So it is *refugees*, in this internationally established legal sense, to which we address ourselves in this hearing, and who are the subject of the definition in the Refugee Act. Although there may be disagreement about the manner in which the refugee definition is applied in individual cases or to certain groups, it is our conclusion that the definition has proved its usefulness in practice. It has served us well, and we see no gain in attempting to modify it.

Previous testimony has dealt with suggestions that the definition be narrowed, but it should be recognized that the more common assertion that we face in the management of our programs is that the definition should be broadened to cover

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[8] "The term 'refugee' means (A) any person who is outside any country of such person's nationality or, in the case of a person having no nationality, is outside any country in which such person last habitually resided, and who is unable or unwilling to return to, and is unable or unwilling to avail himself or herself of the protection of that country because of persecution or a well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion, or (B) in such special circumstances as the President after appropriate consultation (as defined in section 207(e) of this Act) may specify, any person who is within the country of such person's nationality or, in the case of a person having no nationality, within the country in which such person is habitually residing, and who is persecuted or who has a well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion. The term 'refugee' does not include any person who ordered, incited, assisted, or otherwise participated in the persecution of any person on account of race, religion, nationality, membership in a particular social group, or political opinion." (*Ibid.*)

individuals or groups who are not now qualified for refugee status.

One such broadening of the definition would have it apply to persons forced to leave their home countries because of foreign occupation or civil strife—a formulation contained in the African Refugee Convention adopted in 1969 by the Organization of African Unity (OAU). Although this definition has been accepted and applied in a number of refugee situations in Africa, this says more about the traditions of hospitality of the African states than about the desirability of extending this formulation to other areas of the world. In Southeast Asia, for example, we have observed the opposite tendency: a consistent refusal by states of the area to offer safe haven to refugees except on a temporary basis, and then only with guarantees that refugees will be moved elsewhere for permanent resettlement.

By contrast, at the African refugee conference in 1979, President Julius Nyerere of the host country, Tanzania, in his keynote statement said of Africa: "We welcome the refugees, we give them our space." Such a generous approach reflects the communality of Africa which has made possible the resettlement within the region of many thousands of refugees. However, we do not believe such a broad definition should be considered for United States admissions purposes.

Another broadening of the definition would have it cover "economic refugees" on the ground that persons deprived of a decent livelihood by oppressive economic conditions should have as much right to international protection and assistance as refugees from political or religious persecution. The problem with such an expansion of the definition is that it would encompass a major part of the world's population—those who live in the majority of countries classified as impoverished or underdeveloped. Western nations have recognized a responsibility to assist in the modernization and economic development of the third world by means of various forms of trade and assistance, private and public. But a readiness to assist in improving the living conditions of the poor majority does not carry with it an obligation to treat them all as refugees. Among those concerned with international refugee problems there has been little inclination to broaden the definition in this direction.

It should be emphasized that the definition of a refugee—in international law and in the Refugee Act—provides the framework for international protection and assistance, but does not of itself define the terms a government may set for the admission of refugees into its territory for permanent resettlement. This Committee is of course familiar with the procedures followed by the United States in determining how many and which refugees we will admit each year. The regular Consultations and the annual ceilings are at the heart of the process which was mandated in law by the Refugee Act of 1980.

Although the United States employs the definition as part of the process through which refugees are considered for admission, the definition does not tell us how many refugees shall be admitted or from which groups or regions the refugees shall be drawn. Those determinations remain, for us as for the other nations accepting refugees for international resettlement, a subject governed by national interest and foreign policy as well as humanitarian considerations.

Resettlement countries have their own procedures for deciding which refugees to admit, and in what number. Some countries give priority to those with whom they have family or other ties. For example, many of the Indochinese accepted by France had prior associations with that country. Other governments including the U.S. also look for such ties and tend to honor them in the context of a refugee program.

Some countries with smaller programs, such as Switzerland and the Scandinavian countries, have special programs to admit handicapped refugees, thus helping relieve what are often especially compelling humanitarian problems.

Where some other countries differ from the United States in their selection of refugees is in the application of standards of professional qualifications, language skills, education, etc.—sometimes summed up with the phrase "selection for quality"—with the selection carried out by immigration officials with relatively broad discretion to evaluate such "quality" attributes.

The United States has looked for more objective criteria to determine which refugees to accept for admission. During the period of group paroles this tended to amount to accepting all refugee applicants

within a given group or category until the numbers were exhausted. In our implementation of the Refugee Act we have established a pre-screening process aimed at selecting refugees for the purpose of admission on the basis of "priorities" which take account of the immediacy of a refugee's plight and the relatives or other ties a refugee may have to the United States. The priorities represent a considered effort on the part of the U.S. Government to state in an objective manner the principles to be followed in deciding which refugees to admit.

There is a threshold question before the assignment of priorities is reached, and that is to determine that the persons to be considered are in fact refugees. On this issue the definition in the Refugee Act has provided the scope to cover a wide range of refugee situations of interest to the United States and the precision needed to make possible equitable decisions in individual cases. We believe it should be maintained in its current form.

In addition to applying the priorities and the refugee definition, it is our policy that refugees who have a firm offer of resettlement elsewhere will not be considered for admission to the United States. There are exceptions, such as individual cases who may have family ties both in the United States and elsewhere, with the stronger connection, however, to the United States, and Soviet Jews for whom a visa to Israel is the necessary condition of departure from the USSR, even though the individuals have relatives or other ties supporting their intention to come to the United States. The general policy, however, is not to consider refugees for the United States if they have a firm offer of resettlement elsewhere.

In our application of the definition and the priorities we have sought to achieve fairness as well as humanity. The United States cannot accept all deserving refugees. We can, however, strive to make our program as equitable as possible, without losing sight of other considerations of national interest and foreign policy. In most cases this means that we are able to apply our priorities with consistency within each geographic region and on a worldwide basis. Where such an equal application leads to unequal results, however, and in particular when it leads to results at variance with the projections provided in the Consultations with the Congress, we must adjust the application of the priorities accordingly. We have kept the Congress informed of such adjustments.

The effectiveness of a program can be seen in terms of its results, and we believe the admissions criteria that have been employed under the Refugee Act have produced a balanced program that has been responsive to our foreign policy and humanitarian concerns and to the requirements of our domestic situation.

During the past year we have taken a series of actions, in cooperation with the U.S. Coordinator and the Departments of Justice and Health and Human Services, aimed at improving procedures for the successful integration of refugees in our communities and cities. Our goal has been a program that insures that all refugees admitted to the United States should have a positive start on the road to self-sufficiency through employment as productive members of our society.

The programs we have instituted come during a period in which the number of refugees arriving in the United States has been substantially reduced from previous years. Responding to the clearly stated views of this Committee and its counterpart in the House of Representatives, we have operated well within the ceilings set during last fall's Consultations. Against an overall ceiling of 90,000 we expect the total number of arrivals this year to be in the 60–65,000 range.

Our region-by-region projections for FY 1983 are as follows:

Africa: 3,000 admissions (3,000 ceiling)

East Asia: 38,000–40,000 admissions (64,000 ceiling)

Eastern Europe and the Soviet Union: 15,000 admissions (15,000 ceiling)

Latin America and the Caribbean: 600–800 admissions (2,000 ceiling)

Near East and South Asia: 5,500 admissions (6,000 ceiling)

This has been a year in which we have been able to "manage down" our admissions program, in that we have taken advantage of the reduced numbers to achieve improvements in the way refugees are processed overseas and in their reception and placement in the United States, in the following areas:

—Steps to regularize the flow of refugees from overseas and to provide more information on arriving refugees;

—Improvements in the medical diagnosis and treatment of refugees;

—Expansion of English-as-a-Second-Language/Cultural Orientation (ESL/CO) overseas programs;

—Improvements in the reception and placement program and in our monitoring of the voluntary agencies;

—Actions to implement the Refugee Assistance Amendments of 1982.

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Document 118

Statement by the Representative at the U.N. General Assembly (Solarz) in the Third Committee, November 16, 1983 (Extract) [9]

International Burden-Sharing To Aid Refugees

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As we look to the future there is growing recognition of the need for a full international process of burden-sharing to aid refugees. Such a process needs to look for new ways to expand the circle of countries prepared to assist in caring for refugees. We also need to consider what can be done to anticipate and prevent refugee flows, in particular to reduce the size and duration of the massive exoduses that are occurring with increasing frequency. The rights of refugees need to be preserved and protected. At the same time the responsibility of states needs to be spelled out more clearly to reduce or eliminate the situations in which entire populations are forced to look to other countries for the minimum conditions of decent life.

This is especially evident as we recognize the growing difficulties that all refugee receiving countries, including my own, face in absorbing refugees. Even where refugee movements take place within a geographic region, they can have severe impact on the local populations and on economic development. The impact can be just as great if refugees are moved to distant third countries. The successful adaptation of some refugees should not obscure the hardship that the refugee experience imposes on all concerned.

If prevention is the best cure for a refugee problem, then the next best, clearly, is for refugees to be enabled to return freely to their homelands. Often this cannot take place right away but, in time, the factors that caused refugees to flee may change enough to make possible such voluntary repatriation. We have supported such efforts wherever proposed by the UNHCR, always insisting that there be safeguards to assure that the refugees' rights are protected.

Even if voluntary repatriation is not immediately in sight, it makes sense to care for refugees within their region. In many cases neighboring countries have ties of language or ethnic character which ease the acceptance of refugees and facilitate their longer-term integration. Such local resettlement also preserves the possibility of the refugees returning eventually to their homelands as conditions change.

Wherever possible we should try to develop programs aimed at easing the transition to refugee self-sufficiency and long-term solutions. We look to the UNHCR to take the lead in organizing the international aid effort in such a way as to engage the widest possible number of donors and to bring to bear the resources of the appropriate international agencies—the World Food Program, U.N. Children's Fund (UNICEF), the World Health Organization, and the U.N. Development Program. Non-U.N. bodies such as the International Committee of the Red Cross (ICRC) and the League of Red Cross Societies, as well as private humanitarian organizations also play vital roles in refugee assistance programs. Through these organizations, as well as directly, the United States aids refugees in every part of the world. U.S. refugee assistance will amount to some $300 million in 1983, including Food for Peace commodities, and is likely to reach that total in 1984 as well.

[9] Source: U.S. Mission to the United Nations Press Release USUN 145-(83), November 16, 1983.

The High Commissioner's responsibilities for refugees can be encompassed by two words: protection and assistance. But to fulfill those responsibilities requires that the High Commissioner be prepared to act in a wide range of circumstances.

In the field of *protection*, the High Commissioner's role has had to expand from the traditional emphasis on legal protection to an active effort to deal with physical attacks on the very lives and persons of refugees.

We have supported the useful work undertaken to improve the protection of refugee settlements from military attacks. Because the subject bears a close relationship to existing principles of international law, it has been necessary to examine the proposals for their consistency with other aspects of legal doctrine. The objective and goal of the effort—to protect refugee camps against armed attack—has the wholehearted support of our government.

Recent attacks on Khmer refugees caused dozens of deaths and serious injuries and caused thousands of refugees to flee for their very lives. Fortunately, the Government of Thailand allowed the refugees to temporarily flee into Thailand, thus saving thousands of lives and reenforcing the great respect which the international community has for the Royal Thai Government.

But, there is probably no sadder chapter in the history of refugee movements than the fate which has befallen thousands of boat people. Taking to the sea in small and fragile crafts, they have faced the perils of ocean storms and the even worse threat of brutal and vicious attacks by pirates. Refugees have been raped, robbed, beaten, marooned, and murdered. Fifty-five percent of those boat refugees reaching Thailand this year have been attacked—two and three times each.

The High Commissioner has played an important role in seeking a wide range of international support for the joint Thai-UNHCR antipiracy program. We welcome the extension of that program and look for the development of an even more effective protection program with broader international participation that would reduce the risk of attack for all boat refugees no matter their destination in the region. Speaking personally, I have been active in the U.S. Congress, in my capacity as Chairman of the Asian Subcommittee of the House Committee on Foreign Affairs, in winning $5 million to expand U.S. support for this program. It is an initiative that illustrates a needed shift towards physical protection of refugees, supplementing the traditional UNHCR emphasis on legal protection. The High Commissioner's Director responsible for protection, Mr. P.M. Moussalli, deserves recognition for his continuing leadership in helping to consolidate efforts for these programs.

In the *assistance* area, the UNHCR continues to be responsible for a vast quantity of resources, which the High Commissioner has described as a tenfold increase over a decade ago. The scope of programs has been documented this year, as in the past, in the annual report on UNHCR assistance. We commend the High Commissioner for the thoroughness of this report. As one who shares responsibility in the U.S. Government for the authorization and appropriation of funds for refugee assistance, I can assure you, Mr. High Commissioner, of the importance we attach to having available such a dependable and comprehensive record of your assistance programs. I would urge that you even develop improved demographic analyses of refugee populations so that donor countries could more readily understand and project the types of assistance needed, particularly for women refugees, and respond more fully to both emergency care situations as well as self-sufficiency projects.

The international economic downturn of the last few years coupled with the size of refugee populations makes it all the more essential that the High Commissioner's programs not only be managed effectively but that they be *seen* to be so managed. The volume of resources now required for the benefit of refugees and the competition for contributions to humanitarian programs of various kinds require UNHCR to take on an increasingly active role in the operational management of the programs that are established under its leadership. Without good management resources are wasted, and donor confidence and support must necessarily wane.

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Document 119

Address by the Director of the Bureau for Refugee Programs, Department of State (Purcell), Before the Intergovernmental Council for Migration, Geneva, December 7, 1983 [10]

The Role of the Intergovernmental Committee for Migration

It is indeed a pleasure, as well as an honor, to address this session of the council—a session in which we have recognized the qualities of the man who has directed this organization for the past 5 years. That recognition has been demonstrated resoundingly and unanimously by the appointment of James L. Carlin to serve a second term as Director.

We have listened with great interest to the opening remarks delivered by the Director. We thank him for his succinct review of ICM's activities over the past year, as well as for his thought-provoking remarks on ICM's role in the field of humanitarian endeavor. Permit me to highlight, from my delegation's perspective, a number of points the Director has raised.

My first remark concerns ICM's contribution on behalf of refugees in all regions of the world. ICM's worldwide role was noted formally in 1980, when the working name of the organization was modified. If there was recognition then that ICM's activities had broadened considerably over the years, we now see even more clearly how appropriate that change was. ICM is represented in one form or another on all continents. Increasingly, it has become involved in activities in Southeast Asia, Africa, and the Americas, without detriment to its ongoing commitment to its European members. A mere glance at the documents submitted to this council provides strong testimony to this fact. The statistics provided to us are impressive. They demonstrate the enormity of the task facing an international community concerned with assistance to, and resettlement for, refugees. Perhaps even more important, however, is the quality of the service provided and the efficiency with which programs are carried out.

Over the years, my country has entrusted ICM with much of the responsibility for processing refugees for resettlement in the United States. This includes preparation of documents, medical examinations and inoculations, and transportation arrangements. The United States, with a worldwide refugee resettlement program, has asked ICM to take on these tasks in all regions. ICM has done so in places as widespread as Rome, Port Sudan, Phanat Nikhom, and San Jose—and the list goes on. In each case, ICM has adapted; ICM has surmounted obstacles; ICM has done the job and has always done it well.

Of particular importance to the United States, of course, have been ICM's activities in Southeast Asia, the location of the United States' largest resettlement effort. Meanwhile, we must not lose sight of other programs which also present challenges, which often must be mounted quickly, yet which are just as well organized and just as efficient as larger projects of long duration. In this context, I think particularly of the facility at Bad Soden in the Federal Republic of Germany—one of the most cost-effective and trouble-free resettlement operations which we have seen. Whether large or small, such ICM activities on behalf of refugees merit the sincere praise and thanks of us all. Without exaggeration, I can say that ICM enjoys our government's highest esteem. I believe that the presence on the U.S. delegation of representatives of the Congress and of two departments within the executive branch provides clear evidence of that fact.

Refugee activities are important. But they are not all that ICM does. In the past year, my government has noted with great interest ICM's ongoing efforts to develop national migration projects at the request of its members. We all know that over the years ICM has gained considerable experience in this field. It has put that experience to work, for example, in developing the special program for the transfer of qualified human resources to Costa Rica, the Dominican Republic, Honduras, and Panama. The effort that has gone into the preparation of a detailed survey for this program is commendable, demonstrating the commitment both of ICM and of the participating governments to its successful implementation. We, along with many

[10] Source: Public Information Series, December 7, 1983, Bureau of Public Affairs, Department of State.

others in this room, have recognized the need for highly skilled persons to assist in the development of priority sectors of those countries' economies. It is for this reason that my government has contributed to a program which we trust will make a positive impact.

Also regarding the Americas, the United States has funded an extensive research project on migration within the region, to be carried out by ICM with the collaboration of Georgetown University in Washington, D.C., and researchers from institutions in Latin America. It is our hope that the results of this project will increase our knowledge and deepen our understanding of both the causes and consequences of migration in the Western Hemisphere. We are convinced that such a project will be of service not only to us but to our friends and neighbors throughout the hemisphere as we work together to address this shared concern.

We would like to associate ourselves with the satisfaction expressed by the member countries of the region during the Cartagena Seminar for the creation of the *Centro de Informacion sobre Migraciones en America Latina* (CIMAL) and the publication of the *Journal*. In fact, we share their views that both CIMAL and the *Journal* are very important instruments called upon to meet specific needs regarding information as well as counseling on migration matters. The establishment of CIMAL had an important bearing in the decision of the U.S. Government to provide ICM with the financing required for the implementation of the Hemispheric Migration Project. We, therefore, congratulate ICM for these important achievements and express our wishes for the continuous success of CIMAL.

In the field of return of talent, the United States has watched with particular interest the development of the ICM program for Africa—a special project initially undertaken at the request of, and funded by, the European Economic Community. After careful consideration, and with confidence in ICM's abilities in this field, the United States recently made a voluntary contribution for expansion of the program. The U.S. contribution will allow for placement of potential candidates who desire to put their skills to use in Africa but who, without assistance, are unable to locate employment or to afford the cost of the move.

As I noted in my opening comments, these are only highlights of particular programs. We all know that ICM does much more, and that many other programs could be mentioned. However, I also have been reflecting on Mr. Carlin's address, and I would like to add some brief remarks on a more theoretical and, perhaps, more philosophical plane.

I would submit that ICM's humanitarian role is unique. While involved on the one hand in the very practical, down-to-earth arrangements for the movement of refugees to a resettlement country, ICM also has a migration mandate. We, the members of this council, must continually bear in mind that dual role. As times change, needs evolve; the balance between ICM's two activities, therefore, may shift to the benefit of one or the other. The governing bodies of this organization have a long history of working together and discussing issues such as these. It is right that we continue to do so, with each making every effort to understand the needs and concerns of all the others.

I also believe it appropriate to note that in these difficult economic times, hard choices must be made concerning the allocation of funds. What is true for a business is also true for an international organization: the clearly superior project which addresses a clearly identified need is much more likely to receive attention. We would encourage all members to reflect on their role in the fields of refugee resettlement and migration, to recognize the real strengths of ICM, and to provide this organization with the support it needs to carry out its mandate.

It has been this organization's strength that it works as a team and that its member governments feel very much a part of that team. I am encouraged, based on the remarks made by so many speakers yesterday in support of Mr. Carlin's reelection, that his efforts on behalf of each and every member of this organization, and his responsiveness to our needs, are recognized. On behalf of my government, I can assure you that the United States is pledged to continued close collaboration with ICM and to support its activities in furtherance of our common goals.

With your permission, I would like to make a very personal observation. Over the 5 years that I have worked on refugee matters, I have seen many situations in which helpless people, including many

children, faced grave danger and the daily possibility of loss of life if forced to stay where they were. The most dangerous and potentially hopeless case of this nature which I have seen was that of the Vietnamese refugees at the NW 82 camp on the border between Thailand and Kampuchea. There, nearly 2,000 persons, many of them women and young children, were crowded into a space not much larger than the room in which we are meeting today. In addition to physical and psychological pressures of extreme crowding, the NW 82 inmates experienced disease, exposure to the elements, and acts of violence at the hands of the much larger Kampuchean refugee group concentrated in the same area and, more importantly, from the Vietnamese army amassed only a short distance from the NW 82 site. When authorization was granted to move these refugees out of the region, that authorization was contingent upon the quickest and most efficient processing and movement of the refugees. We knew of only one organization which could guarantee the required prompt and expert action. That organization was ICM. Within hours after our initial contact with Director Carlin in Geneva, ICM staff were on their way to set up a field camp processing office at NW 82. ICM's personnel worked day and night, at times under gunfire from Vietnamese troops. In less than a week, all of the NW 82 refugees had been registered and dossiers on individual cases were on the desks of resettlement governments' embassies. I repeat that no other organization could have done this job as well and as quickly as ICM. Due to ICM's work, the NW 82 refugees had already departed the border when the Vietnamese army overran the site where they had been.

ICM's performance in this situation is only one dramatic example of the invaluable work which ICM undertakes every day of the year throughout the world.

I have stated sincere admiration for the work of ICM. I would be remiss if I did not add, by extension, my government's belief that this organization's strengths, its sound administration, and its prudent financial management argue strongly for more governments to reflect upon what ICM can do and to consider seriously full membership. Over the past years, in our bilateral contacts with several governments which have strong interest in the successful continuation of ICM's programs, we have urged those governments which are not now full members to join ICM. Again, here today I would like to reiterate our conviction that the world community needs the strongest possible Intergovernmental Committee for Migration. This can be achieved if all responsible governments concerned about refugee and migration affairs join this organization and provide ICM with their fullest possible support.

C. Terrorism

Document 120

Prepared Statement by the Director of the Office for Combatting Terrorism (Sayre) Before a Subcommittee of the House Appropriations Committee, April 12, 1983 [1]

Proposal for Antiterrorism Training and Assistance for Friendly Foreign Governments

I appreciate this opportunity to testify in behalf of one important element of the President's program to combat and deter international terrorism. Specifically, we are requesting authorization to begin a program of antiterrorism training and assistance for friendly foreign governments. To undertake this program, we have requested 5 new positions for the Department of State and an appropriation of $5 million for fiscal year 1984.

We first presented this program for Congressional consideration last year. Hearings were held by the appropriate committees and a number of thoughtful and useful suggestions and amendments were proposed. The legislation we are proposing this year is a combination of

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[1] Source: *Foreign Assistance and Related Programs Appropriations for 1984: Hearings Before the Subcommittee on Foreign Operations and Related Agencies of the Committee on Appropriations, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), Part 5, pp. 198–207.

our original proposal plus virtually all of the congressional amendments. These changes provide for more specific congressional oversight and a tighter adhesion to the program's antiterrorism theme.

Under this proposal, we would offer, grant, and sell training assistance to civil and police authorities of foreign governments to enable them to respond more effectively to terrorists' acts. Training and equipment would be offered in areas such as antiterrorist precautions, incident management, hostage and barricade negotiations, airport antihijacking security measures, bomb disposal, and dignitary and facility protection.

The program will:

—Provide training courses in antiterrorism skills for friendly, developing countries subject to a terrorist threat;

—Provide limited amounts of appropriate antiterrorist equipment to complement specific training programs;

—Arrange training on a reimbursable basis and information exchange at U.S. facilities for officials of friendly, developed countries to enhance the sharing of antiterrorism expertise as part of the President's overall program to combat international terrorism.

The objectives of this program are to:

—Enhance the law enforcement antiterrorism skills of friendly countries;

—Strengthen our bilateral ties with friendly governments by offering concrete assistance in this area of great mutual concern;

—Enhance cooperation in antiterrorism with the developed countries between their officials involved in combating terrorism and those in the USG;

—Increase respect for human rights by foreign civil authorities by exposing them to modern and humane methods of effective preventive antiterrorism techniques;

—Enhance the ability of foreign governments to protect U.S. overseas missions from terrorist attacks;

—Contribute to the safety of Americans traveling overseas by lessening the likelihood that they will be caught up in an act of international terrorism such as aircraft hijacking.

Before I describe our proposal in more detail, let me outline the key considerations which have led the President to propose this important new initiative. There is a growing terrorist threat in the world today, which is graphically demonstrated by the following statistics:

—The number of international terrorist acts—violent crimes such as assassination, skyjacking, hostage taking, and bombings—has increased from 142 in 1968 to 746 in 1982.

—Attacks against diplomats have increased from 80 in 1968 to 409 in 1981.

—The United States has continued to be the principal target of international terrorist attacks; about 1/3 have been against American targets. Five American Ambassadors have been murdered in terrorist attacks, more than the number of U.S. Generals killed in action in Viet Nam. The murder of Colonel Ray in Paris and the kidnapping of General Dozier are only two of the most publicized attacks against Americans.

—Nor has American business abroad been spared. Between 1968 and 1980 there were 901 attacks against American business executives or facilities.

—Other innocents have suffered both as targets, such as the infamous slaughter at Lod Airport in Israel, or as bystanders, as in the bombing of the Bologna train station in 1980.

—Terrorist incidents were recorded in 93 countries in 1982.

The statistics I have quoted relate to international terrorist acts—that is, they do not include terrorist attacks which have occurred inside various countries against domestic victims. We have also continued to experience terrorist crimes in the United States committed by American terrorists, as well as attacks here by terrorists from other countries, usually directed against non-American targets such as Turkish or Yugoslav diplomats resident here.

Today I would like to emphasize two aspects of the terrorist threat: its political significance and its international character.

The numbers of individuals who have been personally touched by terrorist acts—those who have been killed, wounded, or kidnapped, and their relatives and

friends—represent a human tragedy. At the same time they represent a political challenge. In a sense most of these individuals were symbols, not targets. The purpose of their suffering, from the point of view of the terrorist perpetrators, was often to influence someone else. The long-term challenge of terrorism is the effect it has on responsible governments and government officials. As V.I. Lenin once said, "The aim of terrorism is to terrify." The terrorist objective is to obtain or exercise political power by threatening and frightening, ultimately to intimidate, those who cannot be influenced by more pacific political ways.

The terrorist rejects the validity of the peaceful political process. He elevates violence to doctrine. He deliberately confuses means and ends and thereby threatens the framework of modern political society.

As serious a threat as this is to well-established democratic governments such as ours, it is potentially fatal to developing countries and governments, many of whom are still in the process of creating permanent institutions and stable democratic structures. The terrorist understands the fragility of such governments, and is well aware of the potential destructiveness of his actions. Terrorists set out to destroy existing structures and to frustrate efforts to build new ones.

The problem of terrorism has several international aspects. First, there are undeniable links between many terrorist groups. We know that among various terrorist groups there are exchanges of information, expertise, training, money, weapons, ideology, and general support.

Second, there are undeniable links between various terrorist organizations and governments. Libya, Syria, the People's Democratic Republic of Yemen, and Cuba have been identified as repeated supporters of acts of international terrorism.

Third, terrorists, like criminals, cross borders, which makes it virtually impossible for a single government to deal effectively with the terrorist threat.

Finally, terrorists have increasingly begun to attack target governments outside of their territories; for example by attacking diplomats resident in a third country. This particular tactic is of special international concern because it poses a threat to the entire international diplomatic establishment.

These connections, relationships, international movements, and tactics significantly complicate the efforts of individual governments to deal with terrorist acts within their borders, and the efforts of governments to act collectively as members of the world community.

President Reagan is deeply concerned about the terrorist threat and is determined to do something about it. U.S. policy in this area is multifold. We are taking unilateral policy steps against nations which support or abet terrorism. Libya is a current example. We are also increasing the security of U.S. diplomatic missions.

However, international cooperation is also essential to an effective effort to combat terrorism. No one nation can do it alone simply because of the very nature of contemporary terrorism. Cooperation can take many forms, including the exchange of information, tighter controls on the movement of weapons and explosives, more effective extradition procedures, and discouraging support for terrorist groups. States with diverse forms of government, in all parts of the world, should share a common interest in eliminating terrorism by taking concrete steps to attain common goals.

However, we also believe that more active cooperation is required. Our proposal to provide antiterrorism training and assistance is this sort of active cooperation. When terrorist incidents occur overseas, we look to the local government to discharge its responsibilities under international law to protect all persons within its boundaries. This includes protection from acts of terrorism. It is with these thoughts in mind that we have developed the program we are presenting today. It is designed to further international effectiveness in combating terrorism by assisting countries in fulfilling their share of that international obligation and in pursuing our common objectives.

Many countries are relatively ill-equipped to deal with this problem. Key civil officials, primarily those officials responsible for the maintenance of law and order, could benefit from our experience in dealing with this problem.

To meet this need, we have proposed this antiterrorism program. A key element of it is the training which would be provided to key civil officials of interested

governments. They would include senior police, civil aviation, immigration, and other officials responsible for urban and national civil administration. We plan to concentrate, at least at the beginning of the program, on training of officials who are responsible for crisis management in participating governments.

Based on the participating government's evaluation of its own specific needs we would provide more specific training for middle manager level officials. For instance, we could offer to train the actual hostage negotiator, the officer directly responsible for airport security, or the official who would be the on-site police commander for an incident such as the seizure of an Embassy.

We intend to provide this training at existing Federal institutions in the United States, using the expertise of several domestic agencies. Primary facilities to be used are the FBI Academy at Quantico, Virginia, the Federal Law Enforcement Training Center at Glynco, Georgia, and the Transportation Safety Institute at Oklahoma City, Oklahoma. All of the training programs we plan to make available to foreign participants already exist and are being given to Federal, State, and local officials and, in some cases, to foreign officials (notably the aviation security courses). Under this program we would not provide training programs overseas, nor would we assign advisers permanently overseas.

In addition to providing training, we hope to provide some equipment to complement specific training. For instance, passenger screening equipment for airports might be offered in connection with an airport security course, and explosive ordnance disposal equipment might be provided in connection with a bomb disposal program. However, we envisage only a modest program of equipment transfer.

While training and equipment would be provided on a grant basis primarily to countries which need to improve their capabilities, we will sell these services and materials to our friends and allies among the developed nations. We hope to coordinate our efforts with them to assist Third World countries and to expand the sharing of information on terrorism.

The training and advisory services provided by other U.S. Government agencies would be on a reimbursable basis for the additional costs that agencies incur, in the same fashion as we now reimburse DOD for training provided for the IMST program.

A key question in the administration of this program obviously concerns the selection of participating countries. We would take into account the following factors before providing antiterrorism assistance to a country:

1. Does it face a terrorist threat, actual or potential?

2. Is it committed to participate in combating terrorism?

3. Does it wish to cooperate bilaterally with the United States against terrorism? and,

4. Is its human rights record compatible with U.S. legislative criteria for the receipt of U.S. Government assistance?

Although we have done a certain amount of planning and preparation for the implementation of this program, we have—in the absence of congressional authorization—abstained from drawing up a list of potential participating countries. Once Congress favorably acts upon our request, we would use the criteria I have listed to prepare such a list.

We intend to consult with the Congress on proposed participants prior to implementation of the program. In succeeding years, we would expect to provide Congress with an annual report of participating countries, plus a list of proposed participant countries for the following year. I would like to emphasize that this program will be completely open and unclassified.

This program will be administered by the Department of State, in a manner similar to training activities conducted in connection with the International Narcotics Control Program. We intend to obtain additional staff for the State Department's Office for Combating Terrorism, which will manage the Department's responsibilities. As I stated earlier, actual training will be provided, on a reimbursable basis, by other USG agencies which are expert in the required fields of instruction. Contact with potential participating countries will be through normal diplomatic channels.

We are requesting authorization and appropriation of $5 million and 5 positions in FY 1984, $4.6 million for the training and some equipment transfers and $400,000 for related management and administrative costs. We believe this is adequate for the first full year of operations. We are also asking for authorization to transfer from FY 1983 appropriations up to $2.5 million of funds available for other provisions of the Foreign Assistance Act of 1961, as amended, and the Arms Export Control Act to enable us to begin this program in the current fiscal year.

Although the bill would authorize this program, notwithstanding the provisions of Section 660 of the Foreign Assistance Act relating to prohibitions on police training, we have formulated this program with due consideration to the concerns which led to the enactment of Section 660. This present proposal has been purposefully designed to deal with the specific problem of combating international terrorism. We will not be training policemen as policemen. We will be attempting to assist threatened governments to make a more significant contribution to a worldwide effort in cooperation with us and other like-minded governments.

This administration is convinced that present day political terrorism poses a serious threat to us, to our friends, and to organized international society. We believe that an international effort is necessary to deal with that specific danger.

Thank you.

Document 121

Transcript of an Interview With President Reagan, December 15, 1983 (Extract) [2]

Foreign Government-Sponsored Terrorism

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Q. Subject three: with the prospect of continuing widespread terrorist attacks, how can the United States retaliate, especially when such attacks are inspired or sponsored by governments?

THE PRESIDENT. One of the hardest things, of course, is to prove that the terrorist attacks are sponsored by a government. For example, these groups that are taking credit for the recent suicide attacks are believed to have an Iranian connection. There is a faction of Iranians that believe in a holy war. We do have the evidence that Khomeini has spoken a number of times about advocating a holy war in the Moslem world to promote his type of fundamentalism. So it's hard not to believe that he must, in some way, instigate or at least egg on those that are doing these things.

But the important thing about terrorism is not to be turned back by it. It is a worldwide threat, as we know. The threat is right here in our own country. It's every place in the world.

Q. What can be done to counter the terrorist threat?

THE PRESIDENT. I believe that if terrorists are claiming triumphs when they do these terrible deeds, acknowledging what their goal is and that they have a connection with some country—then I think it's up to the government of that country to try to curb and control such groups. If some of our own terrorist groups commit these outrages—such as the group that just bombed a naval recruiting station in New York—it's our responsibility to corral them, find out who and what they are, and bring them to justice. But the same is true for all the other countries.

But the one thing we can't do is what so many people, even here in our own country, are advocating in the face of the terrorist attacks against our forces in Lebanon. That is to bring home the Marines from Lebanon. If terrorism can succeed in its goal, then the world is going to find itself under the control of the terrorists. You have to stand against that and not let it succeed.

Q. What do you do if a government is actually responsible, as you say, for instigating terrorism? Can you really ask that

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[2] Source: White House Press Release, December 19, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, December 26, 1983, p. 1715. For full text of the interview, see *ibid.*, pp. 1713–1717. Both interviewers, Marvin Stone and Joseph Fromm, were from *U.S. News & World Report*.

kind of a government to assume responsibility for controlling these terrorists?

THE PRESIDENT. In those cases, I think that the civilized world has to get together and see what action can be taken. This does not necessarily mean warlike action, but pressures that can be put on a government—pressures such as saying to that government, "You start taking some steps to control this, or you'll be outlawed in the rest of the world."

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Document 122

Report of the Department of Defense Commission on Beirut International Airport Terrorist Act, December 20, 1983 (Extracts) [3]

U.S. Military Response to Terrorism

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B. *Discussion.*

The Commission believes that terrorism as a military threat to U.S. military forces is becoming increasingly serious. As a super power with worldwide interests, the United States is the most attractive terrorist target and, indeed, statistics confirm this observation. Terrorism is warfare "on the cheap" and entails few risks. It permits small countries to attack U.S. interests in a manner, which if done openly, would constitute acts of war and justify a direct U.S. military response.

Combating terrorism requires an active policy. A reactive policy only forfeits the initiative to the terrorists. The Commission recognizes that there is no single solution. The terrorist problem must be countered politically and militarily at all levels of government. Political initiatives should be directed at collecting and sharing intelligence on terrorist groups, and promptly challenging the behavior of those states which employ terrorism to their own ends. It makes little sense to learn that a State or its surrogate is conducting a terrorist campaign or planning a terrorist attack and not confront that government with political or military consequences if it continues forward.

U.S. military forces lack an effective capability to respond to terrorist attacks, particularly at the lower ends of the conflict spectrum. The National Command Authorities should have a wide range of options for reaction. Air strikes or naval gunfire are not always enough. The whole area of military response needs to be addressed to identify a wider range of more flexible options and planning procedures.

State sponsored terrorism poses a serious threat to U.S. policy and the security of U.S. personnel and facilities overseas and thus merits the attention of military planners. The Department of Defense needs to recognize the importance of state sponsored terrorism and must take appropriate measures to deal with it.

C. *Conclusion.*

The Commission concludes that state sponsored terrorism is an important part of the spectrum of warfare and that adequate response to this increasing threat requires an active national policy which seeks to deter attack or reduce its effectiveness. The Commission further concludes that this policy needs to be supported by political and diplomatic actions and by a wide range of timely military response capabilities.

D. *Recommendation.*

The Commission recommends that the Secretary of Defense direct the Joint Chiefs of Staff to develop a broad range of appropriate military responses to terrorism for review, along with political and

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[3] Department of Defense files. The chairman of the commission was retired Admiral Robert L.J. Long. The other members were Robert J. Murray, Army Lieutenant General Joseph T. Palestra, Jr., retired Marine Corps Lieutenant General Lawrence F. Snowden, and retired Air Force Lieutenant General and former DIA head Eugene F. Tighe, Jr. The extract is Part Nine (Terrorism), Section III (Terrorism As a Mode of Warfare). Subsection A, which presents the principal findings for Lebanon and the Middle East on this subject, is omitted.

diplomatic actions, by the National Security Council.

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D. Narcotics

Document 123

Prepared Statement by the Assistant Secretary of State for International Narcotics Matters (DiCarlo) Before the Senate Foreign Relations Committee, March 9, 1983 (Extracts) [1]

U.S. Goals and Objectives for International Narcotics Control

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The Administration's goals and objectives in international narcotics control were declared in the Federal strategy that President Reagan endorsed October 5. [2]

The Bureau's primary mission is to control the flow of illicit drugs from their sources to the United States. An estimated 90 percent of the illicit narcotics consumed in the United States are of foreign origin. The worldwide supply of marijuana, cocaine, heroin and other drugs is so great and trafficking channels to the United States so diverse that major interdictions and even crop eradications, when achieved in only one or two producing areas, have caused only temporary declines in availability.

The Department's program strategy is therefore predicated on the ultimate objective of controlling production simultaneously in all key geographic sectors of illicit drugs exported to the United States, so that significant and lasting reductions in availability are achieved. We believe that preventing cultivation and destroying illicit narcotics at their source will ultimately prove to be the most effective means of reducing availability. In keeping with that ultimate objective, INM's first priority, in negotiating bilateral agreements and in discussions on multilateral projects with international organizations which we fund, is on crop control—government bans on cultivation and production, enforced by manual or chemical crop eradication. Our second priority is on interdiction as close to the production source as possible and supported by other enforcement activities, and then on interdiction of drugs as they move from producing areas and through transit countries to the United States.

The major drug producing and trafficking countries are parties to conventions which obligate them to control the production and distribution of illicit drugs. Our international strategy is based on encouraging and, where necessary, assisting these countries in meeting their responsibilities for reducing the cultivation, production, and trafficking in illicit drugs within their borders.

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The Secretary of State is a member of the South Florida Task Force and, while our primary assignment in Task Force directives is to pursue crop control agreements with Colombia, Bolivia, Peru and Jamaica, the Department has undertaken a variety of programs in the Caribbean region. Our expenditures of approximately $5 million in the 5 years ending in fiscal year 1982 included funding for a project by Colombian Customs to interdict trafficking in the Caribbean, as well as a special project by the Colombian Navy for narcotics patrols in the Caribbean and Pacific. We have provided small patrol vessels to the Government of the Bahamas to increase the mobility of its narcotics forces; we have also provided telex equipment and language instruction to facilitate

[1] Source: *Security and Development Assistance: Hearings Before the Committee on Foreign Relations, U.S. Senate, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 491–496. Omitted from the statement here are budgetary proposals for fiscal year 1984 and specific regional and country programs.

[2] President Reagan endorsed on October 5, 1982, the *Federal Strategy for Prevention of Drug Abuse and Drug Trafficking* (Washington, [1982]), which was prepared by the Drug Abuse Policy Office, Office of Policy Development, The White House. See *American Foreign Policy: Current Documents, 1982*, p. 412.

cooperation by Bahamian police. We assisted the Haitian Navy in rejuvenating its fleet for narcotics patrols in the Windward Passage, a key route between Colombia and Florida; the Haitian Navy, which provides information on suspect ships to our Coast Guard, seized a boat carrying 9 tons of marijuana in January. Our efforts in this region have also included cooperation with the Coast Guard on the establishment of a telex link between selected Caribbean and Central American countries and the Coast Guard for transmitting vessel tracking intelligence. We have provided a launch to the Turks and Caicos. In Central America, we have provided some telecommunications equipment to Costa Rica; communications and laboratory equipment to the Panamanian National Guard; radios and vehicles to the Honduran police; and, we will provide vehicles and other commodities to Belize to support future eradication programs.

We cooperate with governments on the development of local police and customs capabilities to enforce domestic narcotics laws by funding training of foreign enforcement personnel by DEA and Customs. In just the past 2 years, 225 persons from Caribbean countries, as well as 233 persons from Central America and Mexico, received INM-funded training—20 percent of all foreign nationals receiving such training in these 2 fiscal years. In the past 5 years, a total of 807 officials from this region have received INM-funded training, including 475 from the Caribbean and 332 from Central America—among them 53 officials from the Bahamas. Other units in State and Justice are actively exploring with various Caribbean countries mutual legal assistance and extradition treaties to strengthen bilateral cooperation on criminal law enforcement matters, including the sharing of financial information that is critically needed to deprive traffickers of their profits.

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The United States narcotics control strategy includes diplomatic initiatives to achieve greater participation by and program coordination with other governments. In recent months, INM, with explicit support from Secretary Shultz, has been conducting discussions with Governments in Canada, Europe and Japan, to seek greater international narcotic control efforts from them, both bilaterally and through international organizations. We particularly want to coordinate United States narcotics control initiatives and our program assistance to producing and transit countries with those of European governments. For example, through the United Nations or bilaterally, the Federal Republic of Germany is participating in control programs in Pakistan and Turkey, the Norwegian Government is active in crop control in Burma and Australia is active in Thailand. Italy and Sweden have indicated interest in supporting development programs to achieve coca control.

United States drug enforcement agencies and our diplomatic missions maintain productive working relations with their European counterparts—which are improving as Europeans recognize the long-term implications of drug abuse on their societies. European governments are assigning greater numbers of narcotics enforcement advisors to their diplomatic missions in producing countries. Diplomatic and program assistance coordination with the Europeans continues to be conducted through international organizations, particularly organs of the United Nations. We are encouraged by increased attention being given the narcotics issue by some foreign ministries and political leaders.

Since its founding in 1971 with United States sponsorship, the United Nations Fund for Drug Abuse Control has been a vehicle for raising international consciousness about illicit drug issues and for implementation of crop control, enforcement and demand reduction programs. The Fund also brings the prestige of the United Nations to the issue of narcotics control. While UNFDAC projects complement U.S. programs in some countries, it has carried out projects in other areas when the United States could not because of political or other considerations. We have budgeted $2.5 million as our contribution to UNFDAC in fiscal year 1984. We are also budgeting $75,000 for support of the Colombo Plan.

In sum, we are pursuing the Administration strategy of increasing crop control and interdiction in the source countries. The Bureau's requested authorization for fiscal years 1984 and 1985 anticipates a continuation and expansion of crop control and interdiction efforts in major producing and transit countries. Our requested increase centers on the coca and mari-

juana threat from South America, while expanding our efforts to reduce the influx of heroin from Southwest and Southeast Asia.

Document 124

Statement Issued by the White House, March 23, 1983 [3]

National Narcotics Border Interdiction System

The President today announced the formation of the National Narcotics Border Interdiction System (NNBIS) to interdict the flow of narcotics into the United States. NNBIS will be headed by Vice President George Bush. There will be an Executive Board which will include the Secretaries of State, Treasury, Defense and Transportation, the Attorney General, the Counselor to the President, the Director of Central Intelligence, and the Director of the White House Drug Abuse Policy Office.

Designed to coordinate the work of those federal agencies with existing responsibilities and capabilities for interdiction of seaborne, airborne, and cross-border importation of narcotics, NNBIS will complement but not replicate the duties of the regional Drug Enforcement Task Forces operated by the Department of Justice.

NNBIS will monitor suspected smuggling activity originating outside national borders and destined for the United States, and will coordinate agencies' seizure of contraband and arrests of persons involved in illegal drug importation.

The Coordinating Board for NNBIS will be headed by Admiral Daniel J. Murphy, Chief of Staff to the Vice President, who has chaired the Working Group of the South Florida Drug Task Force, also under Vice President Bush. The Coordinating Board membership will be composed of ranking officials from the Departments of State, Defense, Treasury, Justice, Transportation, Central Intelligence, and their subordinate agencies and offices.

[3] Source: White House Press Release, March 23, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, March 28, 1983, pp. 441–442.

Document 125

Address by Vice President Bush Before the National Press Club, June 17, 1983 [4]

Combating Drug Trafficking Across U.S. Borders

Good afternoon ladies and gentlemen. It's a pleasure to be back before the National Press Club not only to speak to you on a subject of serious national concern but to also convey a message to those Americans who are listening to this program over National Public Radio and Cable News Network.

In 1983 millions of Americans will spend approximately $100 billion on illicit drugs. The overwhelming majority of that total will be spent on cocaine, marijuana, and heroin. This is a staggering total that is diverted from the nation's legitimate economy and put into the hands of drug dealers and traffickers. When users look at cocaine and heroin and marijuana, they see a drug that is white or green or even brown. Well, they're wrong. The color of those drugs is red—blood red. Because that's what the drug business is in the United States, the most deadly and dangerous criminal activity known.

Drug trafficking and all of its attendant activities not only threaten the social fabric of a large portion of our people and the stability of various regions in our nation, but also foster a multitude of other illegal activities including murder, public corruption and corrupt banking practices. Drug profits are so great that the personal risks to the men and women who enforce our nation's narcotics laws have grown dramatically and dangerously over the past 5 years. The profits of drug criminals are so staggering that the most sophisticated planes, boats and electronic

[4] Source: Press Release, June 17, 1983, Office of the Press Secretary to the Vice President.

intelligence equipment are employed to avoid apprehension.

The criminal cast involved in this deadly business has a substantial financial advantage over numerous law enforcement agencies, especially local law enforcement agencies. And this advantage is used for one reason—to avoid arrest and prosecution. To counteract this national curse, the Reagan administration is determined to use every available resource. We are determined to employ not only all of the law enforcement agencies, but the U. S. military and our nation's intelligence community. To date, we have made significant progress. But let's be realistic, there is much, much more to be done in the war against drugs.

Last year President Reagan announced a federal strategy for the prevention of drug use and drug trafficking. [5] He divided the problem into five areas: first, international cooperation; second, drug law enforcement; third, education and prevention; fourth, user treatment; and finally, research. While we are making considerable progress in each of these areas, today I would like to direct my remarks to the law enforcement aspect of our national strategy, and announce the kickoff of an important new effort.

In February of 1982, I announced in Miami, Florida the establishment of the South Florida Task Force. [6] The President asked me to lead this multiagency effort against the criminal element that had virtually taken over and terrorized the Miami metropolitan area. Miami, once a vacation paradise for millions of Americans, became the playground for cocaine cowboys and thousands of other criminals involved in drug trafficking. The situation was critical and demanded a major Federal law enforcement response. In a very brief period of time we sent to South Florida additional Federal judges, more prosecuting attorneys and hundreds of additional law enforcement personnel. We beefed up the U.S. Coast Guard, solicited and received help from the Defense Department including the Navy, the Army, the Air Force, and the Marines. We intensified our diplomatic initiatives which resulted in improved cooperation with the Bahamian Government and some of our Latin American friends. The results have been gratifying but we are by no means satisfied.

The record shows that in South Florida, we have made progress not only in terms of combating crime and thwarting the efforts of drug smugglers, but also in terms of improving the morale of the people of the area. We have brought them hope for the future especially as it relates to the quality of life in Miami and the surrounding areas.

In February 1981, a public opinion survey taken by Miami business leaders asked this question: "Are you seriously considering moving out of the area because of the crime and drug problems?" Thirty-nine percent of the respondees said they were. The same poll was taken in February of this year and only 9 percent said they were considering leaving. This is a tremendous improvement in people's attitude toward their community's future. Much of this change, this mood of optimism, can be attributed to the work of the dedicated men and women assigned to the Task Force.

While the war on narcotics continues in South Florida, there is impressive evidence that we are making solid progress. Drug arrests are up 27 percent. Marijuana seizures are up 23 percent. Cocaine seizures are up 54 percent. In the past 15 months we have seized nearly 3 million pounds of marijuana and more than 17 thousand pounds of cocaine in and around the South Florida area. The street value of those drugs is about $5 billion.

No one can, or will deny, that too many drugs are still coming into the United States. But we have demonstrated an ability to make life difficult for the drug smuggler and the drug dealer. In addition to seizure efforts, we have launched financial investigations that not only confiscate money, but take away assets—the planes and ships, cars, and safe houses—the basic infrastructure for drug organizations to operate effectively. Many of these investigations have been highly successful. We plan to do more. We will increase the heat and bring up the pressure.

I noted with interest this week that the Government [*General*] Accounting Office issued its final report on federal drug

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[5] This announcement appeared in the *Federal Strategy for Prevention of Drug Abuse and Drug Trafficking 1982.*

[6] Reference is to an address by Vice President Bush to the Miami Citizens Against Crime Luncheon on February 16, 1982.

interdiction efforts.[7] I was pleased that the report gives our efforts in South Florida good marks. Many of the drug problems addressed in the GAO report are the very same problems that we have attempted to solve through our South Florida Task Force. They include the need for improved coordination and cooperation among all law enforcement agencies—Federal, State and local—the necessity for improved intelligence and the obvious need for more assets. The report accurately points out that our efforts in South Florida have caused disruption in the smuggling patterns and smuggling routes of traffickers, especially those operating out of the Caribbean, Central and Latin America. As a result we have witnessed an increase in drug smuggling up and down the Atlantic Coast, in the Gulf of Mexico, across the Mexican border, and into California. While we have watched the changing tactics and innovations of the drug smugglers, we have laid careful plans to counteract these bold new criminal measures.

On March 23 of this year, the President announced the establishment of the National Narcotics Border Interdiction System,[8] a bipartisan, permanent program to protect our borders. The NNBIS will be operating in every region of the nation. It will utilize the general principles and the most successful interdiction techniques of the south Florida Task Force in order to buttress our national drug deterrence effort.

Today I am announcing the establishment of five new regional centers in addition to the one already operating in Miami. Each office will have a regional coordinator and deputy coordinator from Customs or Coast Guard. In the northeast the regional center will be responsible for interdicting drugs from the American/Canadian border at Erie, Pennsylvania, up to and around Maine, and down to the Maryland/Delaware border. The regional center will be located in New York City.

In the southeast we are expanding the responsibility of the South Florida Task Force. It will extend up the east coast to the Maryland/Delaware border and up the west coast of Florida to about Appalachicola. Miami will remain the center for this region.

The Gulf region will run from Appalachicola to Brownsville, Texas, and New Orleans will be the regional center.

The southwest border region will extend from Brownsville, Texas, to the Colorado River and the regional center will be El Paso.

On the west coast, the region will include the coast of California, Oregon, and Washington, in addition to Alaska, Hawaii, and the waters of the Pacific. The regional center will be located in Long Beach, California.

Finally, the north border region will run from the State of Washington to Erie, Pennsylvania, and the center will be located in Chicago.

There are unique enforcement problems in each of those areas. The most serious drug trade in the northeast is the smuggling of heroin, especially in the port city of New York. The smuggling tactics used there are completely different from those utilized in south Florida. Heroin is smuggled in very small amounts, concealed in ship containers, aircargo, or carried personally by individuals. Counteracting heroin smuggling requires manpower-intensive operations by undercover agents and substantial assistance from the highly skilled local police of New York City. The key to heroin detection, however, is improved intelligence. Improved intelligence is necessary in all major port cities where the detection of illegal drugs is extremely difficult. The other major drug threat in the northeast comes from what are known as "motherships"—ships laden with tons of marijuana that weave their way north, up the east coast of the United States from Colombia. In this area the interdiction efforts that we have found so successful in south Florida will be fully utilized.

We will use Navy patrol planes out of Brunswick, Maine, and Navy ships out of Newport, Rhode Island. They will be coordinated with Coast Guard cutters and Coast Guard and Customs aircraft and Navy radar planes.

In the southeast region, which includes south Florida, we will continue to attack

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[7] *Report to the Congress of the United States: Federal Drug Interdiction Efforts Need Strong Central Oversight*, GAO/GGD-83-52 (Washington, June 13, 1983). The General Accounting Office, in producing this report, described and assessed Federal drug interdiction efforts and recommended ways to improve their effectiveness.

[8] *Supra.*

the problem with the combined forces of the Army, Navy, Air Force, and the Marines in cooperation with U.S. Customs, the Coast Guard, and additional assistance from DEA aircraft.

In the Gulf region, marijuana ships penetrate the Yucatan staying close to the coasts of Mexico and Cuba. Aircraft also penetrate the Gulf coast on flights from Colombia and Central America. To determine the extent of smuggling efforts in the Gulf region our operations are designed to determine the flow of traffic on the sea and in the air. Our tactics for interdiction and the force required to stop it may be similar to those forces used in south Florida.

On the southwest border, we have recently detected an increase in the smuggling of brown heroin and a vastly improved grade of marijuana along with overflights of this border by cocaine smugglers. Our efforts will first focus on detecting smugglers who literally walk or drive over isolated areas of the border, in addition to detecting U.S. aircraft flying south to load up with dope for return flight to the United States. We will also move surveillance assets to cover the low altitude routes to interdict the larger aircraft flying drugs from Colombia. Our interdiction battle in this region will be supported by airborne radar, Marine Corps interceptors, and helicopters manned by law enforcement officials who will make the actual arrests.

The west coast represents our most difficult and challenging tactical problem. Ships carrying Thai sticks, a very high grade of marijuana, work their way across the Pacific on great circle routes and approach the west coast from the North. Marijuana grown in Hawaii or other drugs transshipped through that island State find their way to the mainland from the West. An increased flow of cocaine and marijuana from the west coast of Colombia approaches the United States from the South and much of the cocaine that gets into Florida is driven across country in trucks and cars approaching the west coast from the East. So you can see that we have a threat from 360 degrees that includes all types of drugs, in every conceivable kind of conveyance. To address this problem we can rely on many of the tactics we used in south Florida, that is radar aircraft, patrol planes, surface vessels, and certainly improved intelligence.

On our northern border the trade is mainly heroin. It's first smuggled into Canada and then moved into the United States. We will be working closely with Canadian authorities to improve our detection capabilities along this extensive land mass.

Operations have already begun in each region. It's happening now.

The National Narcotics Border Interdiction System will work in unison with the Attorney General's 12 Organized Crime Task Forces that the President established in January of this year.[9] The primary goal of the Attorney General's efforts is to bring to justice the men and women at the highest levels of drug and other criminal organizations. Last week the GAO report criticized our efforts because of the lack of success in this area. Let me just say that criminal conspiracy cases take time to develop, and the Godfathers of major drug organizations are highly insulated. The investigation, apprehension and prosecution of these individuals take time and tedious effort. But the Attorney General's resolve in this area will not be broken and I can assure you that the interdiction efforts that I have announced today will be completely coordinated with the Attorney General's Task Forces. Our efforts will be mutually supportive and by closer coordination and cooperation, we will begin to close the existing gaps in our fight against drug trafficking.

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[9] The President actually announced the Drug Task Force Program and other drug enforcement initiatives on October 14, 1982. The Task Force Program was formally provided resources by P.L. 97-377, the Continuing Appropriations for 1983, enacted on December 21, 1982. Congress outlined requirements in the *House and Senate Appropriations Conference Committee Report, December 20, 1982.* The January reference alludes to the date at which the Attorney General codified these requirements in *Guidelines for the Drug Enforcement Task Forces,* thus making the program effective January 20, 1983. The "Attorney General's Twelve Organized Crime Task Forces" refers to a crime task force for each of the 12 following geographic regions: Great Lakes, Gulf Coast, Los Angeles-Nevada, Mid-Atlantic, Mountain, New England, New York-New Jersey, North Central, Northwest, South Central, Southeast, and Southwest. Florida comprises a separate task force program. See also *The Annual Report of the Organized Crime Drug Enforcement Task Force Program,* Department of Justice (Washington, 1984).

I want to make one final announcement. In each of our regional headquarters, we have established as of today an operations information center. These centers will have highly skilled professionals assigned from all of our agencies including the FBI, the DEA, Customs and Coast Guard, the Army, Navy, Air Force, and the Marines, the Immigration and Naturalization Service, and the intelligence community of the United States. We will gather and analyze intelligence. We will assess the local threat. We will assign priorities to interdiction targets, identify our resources, recommend the most effective action to be taken and provide all coordination for joint special operations.

With the assistance of Defense Secretary Weinberger, we will bring more military support to our cause. With the help and support of CIA Director, Bill Casey, and the entire intelligence community, we expect to be better informed and more knowledgeable regarding the actions and activities of smugglers in order to position our resources in the right place at the right time.

We in the administration are not unaware of the difficulty of our task. But our efforts are both innovative and substantial. The use of U.S. military resources provides us with an imposing presence in the air and especially on the high seas. The cooperation and coordination of the intelligence community is another arrow in our quiver. But despite all of these things, we must recognize that the thousands of men and women employed in this massive effort need the assistance and support of an aware and alarmed citizenry. The economic cost and the social destruction is too grave for this nation to conduct business as usual in the war against drugs.

The President and members of his administration fully recognize the threat. Despite the resources that we have brought to this cause, we need leadership, understanding, and guidance from parents and community leaders and from public officials throughout the country. No one agency, no one department, State, or region can successfully win the battle alone. We must all work together to make a real impact against this insidious threat to our country. While we ask for your patience and your understanding, more importantly we ask for your active support.

Thank you very much.

Document 126

Statement by the Representative (DiCarlo) in the Third Committee of the U.N. General Assembly, November 18, 1983 (Extract) [10]

The International Campaign Against Traffic in Drugs

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What can we do about the serious nature of the international drug problem? We would like to raise a few of many possible ways of addressing this question for consideration.

First, experience has shown that the control of illicit drugs is most effective and efficient at its source—through government bans or limits on cultivation, enforced by crop eradication, and backed by interdiction programs. This has been proven in a number of countries. For example, the Government of Turkey has banned the cultivation of poppies for the production of opium. A similar ban was announced last year in Pakistan, backed by the eradication of remaining illicit crops this year. The Government of Mexico has an ongoing campaign of aerial spraying of herbicides against the cultivation of both opium poppy and cannabis which has been effective in decreasing the overall amount of heroin and marijuana available for the illicit market. The Government of the Socialist Republic of Burma, despite the problems of insurgencies in much of the opium poppy growing areas, eradicate 8,000 to 10,500 acres annually. The Governments of Belize and Mexico have joined together in an unprecedented cooperative effort to eliminate drug crops; over 1,200 acres of marijuana were eradicated last month in Belize.

Second, such crucial and commendable actions against the production of drugs require greater support and financial resources from the international community.

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[10] Source: U.S. Mission to the United Nations Press Release USUN 149-(83), November 18, 1983. Omitted from DiCarlo's statement is his introductory survey on the scope of the international drug problem.

We believe a substantial breakthrough occurred last week when the Italian Government announced its contribution of $40 million to the United Nations Fund for Drug Abuse Control over 5 years. This contribution not only doubles UNFDAC's annual budget, but marks a much needed involvement by the United Nations in the effort to control production of cocaine. We hope that other nations will follow this lead in devoting more resources to the drug control effort.

Third, while the control of illicit crops requires increased expenditures, money is not necessarily the most important factor. Commitment to eliminate the international drug problem must be made by drug producing countries, and by other members of the international community.

Mr. Chairman, we believe all nations should promote narcotics control as a foreign policy priority, and make it an important issue in bilateral relations with drug producing nations. The drug problem should be raised in official visits, not only among health and social ministries, but in the economic and foreign ministries as well. The burdens of successfully eliminating drugs at the source should be supported by the entire global community. Without this support, it is harder for governments to implement the often politically difficult, but necessary crop control measures within their borders. If few nations support these efforts, these governments are often accused of yielding to "pressure" from those nations which encourage crop control, rather than responding to the concerns of the international community as a whole.

If we are serious about stopping the supply of illicit drugs, we need to back the commitment to eliminate drugs with rigor. One step in that direction is to link drug-related economic assistance with a strong commitment to narcotics control on the part of producing countries. We are pleased that this concept was incorporated by the World Food Program [11] in a rural development project in Pakistan, and hope that this practice will be made the rule rather than the exception in other international narcotics programs.

Finally, we are all aware that narcotic crops are found most often in remote, isolated areas, making crop control a logistically burdensome task. Many experts agree that eradication through the responsible use of herbicides is the best means to address the cultivation of these crops. In 1979, a Study Group convened by the U.N. Division of Narcotic Drugs stated that the use of chemicals to eradicate illicit narcotic crops presented the best overall opportunity to successfully destroy these crops. We urge the U.N. organizations and Member States to incorporate this recommendation in their fight against the production of illicit crops.

Mr. Chairman, the United States believes the U.N. specialized agencies, organizations, and programs must raise their priority and attention to the drug control problem. In the Secretary-General's Report on international cooperation in drug abuse control, Document A/38/522, it is clear that many of the U.N. organizations have been active in the drug control area by virtue of the funding received from the U.N. Fund for Drug Abuse Control. When the Fund was created in 1971, its purpose was to provide an additional source of assistance to *augment* the drug control efforts of the U.N. system. While we are aware of the fiscal austerity under which the United Nations must operate, we are concerned that the Fund has been regarded as a source of funding to replace rather than increase resources for drug control activities which are legitimate activities of the U.N. agencies; we urge those agencies to adjust their priorities in order to increase attention to this problem within their program mandates.

The Secretary-General's report notes that the various U.N. agencies conducting activities in the drug control area met in two ad hoc meetings, but we regret there is no indication of what was discussed or accomplished at the meeting. Given the finite budgetary resources which the United Nations has available to address the international drug problem, we believe these meetings are necessary to ensure coordination of efforts. We hope that the results of such meetings will be conveyed in future General Assembly reports on international drug control, and to the various U.N. policymaking bodies in this area. We regret the nonparticipation in these meetings of two U.N. specialized agencies. Given the significant impact of drug trafficking and drug abuse on the world's youth, and upon the development of nations, we believe the participation of these agencies in the international battle against

[11] The World Food Program is administered by the United Nations.

the drug problem is appropriate and necessary.

We are also concerned about the two U.N. Industrial Organization (UNIDO) projects outlined in the report; one concerning a study to assess the industrial utilization of the coca bush and the other studying the industrial utilization of surplus opiate stocks for the production of codeine in developing countries. We believe these proposals would counter plans and efforts to curtail the production of illicit narcotic drugs. The promotion of additional licit uses of coca and opium poppies, if they exist, could have the disastrous effect of encouraging nations who are not traditional suppliers to expand cultivation, and increase the potential of diversion to illicit markets. We hope these proposals, which contain provisions contrary to the policies of the U.N. Commission on Narcotic Drugs and the International Narcotics Control Board, will not be undertaken without the prior agreement of the competent U.N. drug agencies.

I would also like to comment on the "Report of the Secretary General on the International Campaign Against Traffic in Drugs". [12] Most of the activities outlined in this report have been meetings and seminars which bring together members of law enforcement agencies on a regional basis. International cooperation among these agencies, traditionally the most active and dedicated in the fight against drugs, has improved, in part, due to the various seminars and meetings which have been held under the auspices of the United Nations.

We recognize the utility of bringing enforcement officials together, and hope that future meetings will also focus on specific enforcement problems, techniques, and strategies which will increase the capabilities of the participants to interdict illicit drug trafficking. While these regional meetings are useful, we are not convinced that there is a need for an interregional law enforcement meeting in 1986. The advantages or purposes for such a meeting are far outweighed by other pressing priorities in the law enforcement area. We also believe that U.N. regional enforcement coordination offices are unnecessary. Such offices have been tried in the past and have not been found to be effective.

Mr. Chairman, the United States was pleased to join the other members of the Economic and Social Council in endorsing the recommendation that the Commission on Narcotic Drugs function as a task force to oversee the implementation of the strategy. If the Assembly agrees to this approach, we believe that the agenda for the 8th Special Session of the Commission on Narcotic Drugs will need to include a review of the implementation of the Strategy so that the Commission may begin its task force functions.

In closing, let me emphasize that no nation is "doing enough" to control narcotics. If our goal in international narcotics is to reduce the availability of and demand for illicit drugs, then we must treat the international drug problem in a realistic manner. Drug control must have the high priority and commitment it deserves on the multinational level. This commitment must be backed by firm efforts to prohibit the continued cultivation of drug crops, and the resources to support such resolve. Efficient and effective methods of eliminating the drug scourge at its source, such as the responsible use of herbicides, must be pursued.

Only when we take such measures and treat the international drug problem as we treat other menaces to our countries will we be on the road to success.

Thank you, Mr. Chairman.

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[12] Reference is to the *Report of the Secretary General on the International Campaign Against Traffic in Drugs*, U.N. document A/38/478.

Chapter 9. International Information Policy

A. General

Document 127

Statement by the Director of the U.S. Information Agency (Wick) Before the Senate Foreign Relations Committee, March 2, 1983 [1]

U.S. Participation in "The Competition for Ideas"

I am pleased to be here today to present the authorization request for the U.S. Information Agency for fiscal year 1984, as well as the supplemental request for fiscal year 1983.

This Agency's request in fiscal year 1984 totals $711.4 million, which is an increase of $113.8 million over the 1983 amounts already enacted or pending in supplementals. This is a large increase, but one which we believe is fully justified in the current world climate.

Today, as never before, we are engaged in a fierce competition of ideas. Our adversary is the Soviet Union. Our strengths are the truth and our own ideals. Today, in a world where freedom is under attack, the concept of human liberty and the concept of America are more compelling and attractive than ever. But, we cannot and must not remain passive. The stakes are too high.

This competition is not new. It has been going on since the end of World War II. Our strategy, however, has remained virtually unchanged. For far too long we have been in the position of reacting to the other side. It is time to take the initiative, to make our case boldly and well. It is time to recognize USIA as an important component of the American foreign affairs community. Indeed, USIA is on the cutting edge of the struggle for men's minds.

The Soviets are well equipped to wage a war of ideas, and have increased their efforts even more. They have also changed the nature of the war. I refer to their campaign of so-called active measures and disinformation directed against the United States.

Just a few weeks ago, on February 17, for example, the *Washington Post* reported that "The Soviet-supported Communist press in India has recently escalated its longstanding disinformation campaign against the United States." This is an apparent attempt to turn the Third World against us before the start of the nonaligned nations summit, to be held in New Delhi in March. [2]

That is only the tip of the iceberg, not only in India but throughout the world. The Soviet Union far outdistances us in resources—not merely in money, but in personnel and level of activity as well.

The Soviets focus on young people, and they not only attend but organize conferences of the world's youth. The Soviets aid local Communist parties around the world. A startling allegation is that the Soviets spend more on jamming our broadcasting the truth to the U.S.S.R. and Eastern Europe than the Voice of America's worldwide budget.

Radio Moscow has 37 state-of-the-art 500-kilowatt, superpower transmitters, while the Voice of America has 6, each made by coupling 2 250 kilowatts into a 500-kilowatt transmitter. Radio Free Europe [RFE] [3] and Radio Liberty [RL] have none. The Soviet Union broadcasts in 82 languages. VOA and Radio Free Europe/Radio Liberty combined broadcast in 48 languages.

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[1] Source: *Foreign Relations Authorization Act: Hearings Before the Committee on Foreign Relations, United States Senate, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 7–12.

[2] The quotation is taken from an article by William Claiborne in the *Washington Post*, February 17, 1983, p. A33. The nonaligned nations summit was held from March 7 to 12, 1983.

[3] All brackets are in the source text.

Frankly, in many areas we are behind in the competition of ideas. Unless we reinforce our efforts, we will continue to lose ground and our national interest will suffer. The Reagan administration understands this, and with the help of Congress, we can pull ahead and eventually win the struggle for ideas.

As to Project Democracy, about which there have been many questions, on June 8, 1982, President Reagan, in his address to the British Parliament, announced the intention of the United States to make a major effort to foster the infrastructure of democracy which allows a people to choose their own way, to develop their own differences through peaceful means. [4]

The President thus laid the groundwork for a long-term, positive program by the United States to advocate the principles of democracy and to support those people and institutions committed to democratic development. The United States will help build and reinforce the bonds based on shared values between our peoples and other nations.

Project Democracy will be a bipartisan venture, involving both government and private organizations. All Americans have an interest in promoting freedom and democracy throughout the world, and Project Democracy will work with a wide range of organizations and institutions to build linkages with foreign counterparts.

Political parties, unions, businesses, universities, State and local governments, media, service organizations, women's groups, ethnic and religious organizations, working with their counterparts overseas, may prove to be the most effective means of strengthening democracy and promoting friendship and cooperation with other nations.

Ambassador Helman [5] handed me, just before I started, something that addresses one of the key questions which has been raised regarding Project Democracy, and I state as follows:

"For clarity of presentation, we have included in the Democracy Project several programs which were formerly carried in the budgets of other agencies. A case in point is the Asia Foundation, which had been funded through State.

"I want you to know that including such programs in the Democracy Project will not affect their management. The Asia Foundation, for example, will still be managed through State.

"Nor will it affect the integrity of those programs. They have functioned very well, and we intend to assure that will continue to be the case.

"Moreover, we will develop and monitor those programs with an eye to the political health and credibility of the organizations involved. We do not intend trying to fix things which are not broken.

"In that connection, I call your attention to what Secretary Shultz told Mr. Fascell's subcommittee last week, that the foreign policy considerations involved in these programs transcend any single agency and therefore, by Presidential directive, they will be the concern of an interagency committee. [6]

"Finally, and of central importance, is our conviction that what we are proposing is of broad bipartisan concern. This is not a slogan, but a reality. If this project is to have meaning, it must have broad bi-partisan support because it is one which we want to see continue from our administration to the next and onward.

"What this means, among other things, is that we welcome your ideas as well as your support both in the development of the project and its implementation. We will keep no secrets. We want to move ahead through mutual support and mutual confidence."

Back to my prepared remarks.

At the same time we are seeking to develop new and innovative exchange programs which utilize the resources of the private sector as well as the government. For example, the President's International Youth Exchange initiative, a project already underway, is designed to reach the successor generation of the Versailles economic summit countries.

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[4] For text, see *American Foreign Policy: Current Documents, 1982*, p. 14.

[5] Gerald Helman, Deputy to the Under Secretary of State for Political Affairs, and Director, Office of Public Diplomacy, Department of State.

[6] See document 130. The Presidential directive is not further identified.

President Reagan announced this initiative in May of 1982,[7] and it has the enthusiastic support of the heads of state of Canada, France, the Federal Republic of Germany, Italy, Japan, and the United Kingdom. Over the next 3 years youth exchanges will be increased by 15,000.

President Reagan has established from the private sector a Council for International Youth Exchange to encourage the American private sector to join in a partnership to help promote the initiative. The council is made up of top corporate executives and education and foundation leaders from across America. It is a classic free enterprise undertaking between the private sector and the government.

The council has pledged to raise $10 million to match the U.S. Government's contribution of a like amount over the next 3 years. The council is already well on the way to achieving its goal. It has received donations of over $2 million. The President's International Youth Exchange initiative buttresses the Agency's ongoing exchange programs, filling a long neglected gap in international exchange efforts.

As to radio, it is our most neglected activity. Over the years, VOA has added a language program here, a few staff people there. However, the physical plant required to transmit America's voice to the world is in deplorable condition, affecting the vitality and quality of its voice.

On July 19 of last year, the President announced that "We intend to move forward consistent with budgetary requirements with a program to modernize our primary means of international communication, our international radio system." At that time, he observed that "The Voice of America, Radio Free Europe, and Radio Liberty have been neglected for many years. Their equipment is old and deteriorating, their program resources strained. Little has been done to counter the jamming that has intensified in recent years."[8]

This past year has seen a continued and concerted effort at the Voice of America to enhance its reputation for reliability, objectivity, and balance. We are seeking to communicate the "voices of America" by broadcasting information showing the diversity and plurality of this Nation.

An increased amount of editorial opinion to explain America's policies to people in other countries is being broadcast. VOA has established an office of audience relations to promote overseas awareness of VOA, and to analyze audience reaction to VOA programs. It is our intention to make programs more relevant and interesting to VOA's listenership.

Extensive efforts to carry administration messages through the use of satellite television transmissions directly to foreign audiences without distortion or filtering has been made possible through the communications technological revolution. Presidential speeches and video dialogs with Cabinet officers are being transmitted by satellite. Satellite television is now in the forefront of our public diplomatic efforts in support of American policies.

Additional funds are desperately needed to hire trained engineers. The task of structuring, almost from the ground up, a comprehensive, worldwide radio transmission system is formidable.

Professionals are being recruited to fill the many existing vacancies in our engineering division and to staff the new positions requested in our supplemental proposal. VOA engineering's first task will be to carry out a comprehensive systems analysis of the components of the worldwide VOA communications network: Antennas, technical transmission requirements, power generation systems, the requirements for a worldwide operations center and network control, and an investigation into station characteristics and locations to fill existing coverage gaps.

With the benefit of such a comprehensive study we will be able to make decisions about new VOA construction projects that will be most efficient and more cost effective.

USIA is mandated to tell the truth about the policies and objectives of the United States to the world and at the same time to counter the Soviet Union's growing global campaign of propaganda and distortion. USIA is fulfilling these directives by initiating innovative projects and by strengthening the traditional pro-

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[7] For text, see *American Foreign Policy: Current Documents, 1982*, p. 421.

[8] President Reagan made these statements at a ceremony for the signing of a proclamation on Captive Nations Week, 1982. For text of his remarks, see *ibid.*, p. 665.

grams that have continued to prove effective.

During the past year we were able to begin the long-sought agency move to our new USIA building. This consolidation of most of the Agency will have a beneficial effect on the efficiency of all Agency elements.

Having discussed some of our program highlights, I would now like to briefly discuss the Agency's resource requests.

The Further Continuing Appropriations Act, Public Law 97-377, [9] provides $545.4 million for USIA programs in fiscal year 1983. Within that amount, we plan to shift resources in the radio construction and salaries and expense accounts to cover several new urgent requirements, primarily to conduct engineering analyses to identify and examine the overall technical performance requirements of the Voice of America's worldwide transmitting facilities; to develop a fiscal year 1983 spending plan for private sector exchange programs to meet the intent of the Further Continuing Appropriations Act; and to absorb the costs of consolidating USIA offices in Washington, to continue and expand the President's Youth Exchange Initiative, and to provide for other priority program requirements.

The Agency is also seeking fiscal year 1983 supplemental appropriations of $52.2 million, consisting of $9.5 million for Federal pay raise and benefit costs; $22.7 million to correct deficiencies in Voice of America staff and program operations; and $20 million to launch Project Democracy. The latter requires additional authorization legislation for fiscal year 1983.

The Agency's 1984 request for authorization of appropriations totals $711.4 million, an increase of $113.8 million over the amount provided by the 1983 Further Continuing Appropriations Act for comparable programs and pending supplementals. This increase will enable the Agency to serve the Nation's security interests more effectively and will meet the following major requirements: $50.8 million to cover full-year requirements of the Voice of America improvements and Project Democracy that will be initiated under the proposed 1983 supplementals; $23.1 million to perform advanced engineering and technical development studies to initiate a 5-year plan to modernize and expand the Voice of America's transmitting facilities; $21.4 million to meet projected 1984 inflationary increases and other mandatory changes for all Agency programs and activities; and $18.5 million to enhance other Agency priority programs, principally overseas mission posts, television and satellite programs, VOA broadcasts to the Soviet Union and Eastern Europe, youth exchange programs, wireless file reception, and research studies.

We are proposing a small number of administrative changes. One concerns section 305(c) of the U.S. Information Agency Authorization Act, Fiscal Years 1982 and 1983, [10] which mandated the doubling of certain exchange-of-persons programs by fiscal year 1986.

Competing program priorities render that requirement imprudent in light of overall budget constraints. As the 1985 and 1986 estimates are now projected, program increases in exchanges could come only at the expense of vital VOA and other national security programs of the Agency.

As the President noted when he signed the authorizing legislation, adjustments are deemed necessary. [11] We are proposing language that would remove the doubling requirement but would guarantee that the fiscal year 1982 exchange-of-persons program level would be maintained or enhanced in the future. As this budget presentation indicates, increases have in fact been made in exchange-of-persons programs in fiscal year 1983 and further sizable increases are proposed for 1984.

Mr. Chairman [12] and members of the committee, free and open societies are in danger. The ideals and values which underlie our national purposes are under attack by a potent Soviet propaganda and disinformation campaign.

USIA, a critical component of this country's national security apparatus, must meet the challenge. The administration recognizes this and the vital need for this

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[9] Approved on December 21, 1982; for text, see 96 Stat. 1830.

[10] P.L. 97-241, approved August 24, 1982. For text, see 96 Stat. 273.

[11] For text of President Reagan's statement, see *Weekly Compilation of Presidential Documents*, August 30, 1982, pp. 1059-1060.

[12] Senator Charles H. Percy.

Agency's fiscal year 1984 budget request of $711.4 million.

I ask for your continued support and assistance in this effort. I should like to thank the members of this committee for their understanding and cooperation over the past year.

I appreciate the time you have given me today. I would be pleased to respond to any questions you may have.

Thank you.

Document 128

Address by President Reagan, September 10, 1983 [13]

"The Truth Is Still Our Strongest Weapon"

My fellow Americans: During my first press conference, 9 days after being sworn in as your President, I was asked a question having to do with Soviet intentions. In my answer, I cited their own words, that they have openly and publicly declared the only morality they recognize is what will further world communism, that they reserve unto themselves the right to commit any crime, to lie, to cheat, in order to attain that. And I pointed out that we should keep this in mind when we deal with them. [14]

I was charged with being too harsh in my language. I tried to point out I was only quoting their own words. Well, I hope the Soviet's recent behavior will dispel any lingering doubt about what kind of regime we are dealing with and what our responsibilities are as trustees of freedom and peace. Isn't it time for all of us to see the Soviet rulers as they are rather than as we would like them to be?

Rather than tell the truth about the Korean Airlines massacre, [15] rather than immediately and publicly investigate the crash, explain to the world how it happened, punish those guilty of the crime, cooperate in efforts to find the wreckage, recover the bodies, apologize and offer compensation to the families, and work to prevent a repetition, they have done the opposite. They have stonewalled the world, mobilizing their entire government behind a massive cover-up, then brazenly threatening to kill more men, women, and children should another civilian airliner make the same mistake as KAL 007.

The Soviets are terrified of the truth. They understand well and they dread the meaning of St. John's words, "You will know the truth, and the truth will set you free." The truth is mankind's best hope for a better world. That's why in times like this, few assets are more important than the Voice of America and Radio Liberty, our primary means of getting the truth to the Russian people.

Within minutes of the report of the Soviet destruction of the Korean jet, the Voice of America aired the story in its news programs around the globe. We made sure people in Africa, Asia, the Middle East, Europe, and, most important, the people in the Soviet bloc itself knew the truth. That includes every Soviet misstatement, from their initial denials through all the tortured changes and contradictions in their story, including their UN representative still denying they shot down the plane even as his own government was finally admitting they did.

Accurate news like this is about as welcome as the plague among the Soviet elite. Censorship is as natural and necessary to the survival of their dictatorship as free speech is to our democracy. That's why they devote such enormous resources to block our broadcast inside Soviet-controlled countries. The Soviets spend more to block Western broadcasts coming into those countries than the entire worldwide budget of the Voice of America.

To get the news across to the Russian people about the Korean Airlines massa-

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[13] Source: White House Press Release, September 10, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, September 19, 1983, pp. 1225–1226. President Reagan spoke during his regular weekly broadcast from the Oval Office. The broadcast began at 12:06 p.m.

[14] For text of President Reagan's response, given at his January 29, 1981, press conference, see *American Foreign Policy: Current Documents, 1981*, p. 545.

[15] Reference is to the September 1, 1983, incident, in which a Soviet military plane shot at and destroyed a civilian airliner, Korean Airlines flight 007, which had strayed into Soviet airspace.

cre, the Voice of America added new frequencies and new broadcast times. But within minutes of those changes, new Soviet jamming began. Luckily, jamming is more like a sieve than a wall. International radio broadcasts can still get through to many people with the news. But we still face enormous difficulties.

One of the Voice of America's listeners in the Middle East wrote, "If you do not strengthen your broadcasting frequencies, no one can get anything from your program." Our radio equipment is just plain old, some of it World War II vintage. I don't mind people getting older; it's just not so good for machines.

More than 35 percent of the Voice of America's transmitters are over 30 years old. We have a similar problem at Radio Free Europe and Radio Liberty. We have 6 antiquated 500-kilowatt shortwave transmitters. The Soviets have 37, and theirs are neither old nor outdated. We regularly receive complaints that Soviet broadcasts are clearer than ours. One person wrote and asked why it's not possible for a Nation that can send ships into space to have its own voice heard here on Earth.

The answer is simple. We are as far behind the Soviets and their allies in international broadcasting today as we were in space when they launched Sputnik in 1957.

We have repeatedly urged the Congress to support our long-term modernization program and our proposal for a new radio station, Radio Marti, for broadcasting to Cuba. The sums involved are modest, but for whatever reason this critical program has not been enacted.

Today I am appealing to the Congress, help us get the truth through. Help us strengthen our international broadcasting effort by supporting increased funding for the Voice of America, Radio Free Europe, Radio Liberty, and by authorizing the establishment of Radio Marti.

And I appeal to you, especially those of you who came from Eastern Europe, Russia, and Soviet-dominated countries, who understand how crucial this issue is, let your representatives hear from you. Tell them you want Soviet rulers held accountable for their actions even by their own people. The truth is still our strongest weapon. We just have to use it.

Finally, let us come together as a Nation tomorrow in a National Day of Mourning to share the sorrow of the families, and let us resolve that this crime against humanity will never be forgotten anywhere in the world.

Until next week, thank you for listening, and God bless you.

B. Project Democracy

Document 129

Address by President Reagan Before a Joint Session of the Congress, January 25, 1983 (Extract) [1]

"The Strength of Our Common Democratic Values"

. . . . . .

But let us turn briefly to the international arena. America's leadership in the world came to us because of our own strength and because of the values which guide us as a society: free elections, a free press, freedom of religious choice, free trade unions, and above all, freedom for the individual and rejection of the arbitrary power of the state. These values are the bedrock of our strength. They unite us in a stewardship of peace and freedom with our allies and friends in NATO, in Asia, in Latin America, and elsewhere. They are also the values which in the recent past some among us had begun to doubt and view with a cynical eye.

Fortunately, we and our allies have rediscovered the strength of our common democratic values, and we're applying

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[1] Source: *Weekly Compilation of Presidential Documents*, January 31, 1983, p. 110; for the full text of this State of the Union Address, see *ibid.*, pp. 105–112. President Reagan spoke at 9:03 p.m. in the House Chamber of the Capitol. The address was broadcast live nationwide on radio and television.

them as a cornerstone of a comprehensive strategy for peace with freedom. In London last year, I announced the commitment of the United States to developing the infrastructure of democracy throughout the world.[2] We intend to pursue this democratic initiative vigorously. The future belongs not to governments and ideologies which oppress their peoples, but to democratic systems of self-government which encourage individual initiative and guarantee personal freedom.

. . . . . .

Document 130

Statement by the Secretary of State (Shultz) Before a Subcommittee of the House Foreign Affairs Committee, February 23, 1983 (Extracts)[3]

Outline of Project Democracy

SECRETARY SHULTZ. Thank you, Mr. Chairman.

I appreciate your opening comments about the importance of the management of this enterprise. It contains a great many people of extraordinary talent, and one way of looking at the job I have is to see to it that we use that talent in the most effective way possible on the one hand, and on the other, to be sure that there is a continuing stream of talent in and being trained and developed so that 20 and 30 years from now we have continued to build that firm base of personnel that is so necessary.

I appreciate the opportunity to meet with you to begin discussion of the Department of State authorization request for fiscal years 1984 and 1985. Of all my appearances before Congress, Mr. Chairman, none is more important. Indeed, our success in the world depends on our willingness to allocate the resources necessary to support a foreign policy worthy of our traditions and the role we must play in today's world.

I believe I know as well as anyone the competition for our Nation's resources. I also understand the inevitable trade-offs between our domestic and international priorities that are a part of that process.

I firmly believe, however, that just as we cannot compromise on funding vital to America's defense, it is equally important that our diplomatic efforts receive the resources essential for their success. Indeed, to the extent that we succeed diplomatically in assuring the security and well-being of ourselves, our friends and our allies, our military strength need never be tested.

Our Nation's foreign policy agenda, Mr. Chairman, is a very ambitious one. Three broad goals dominate that agenda, goals which are at once interdependent and mutually reinforcing.

The first goal is our commitment to a more peaceful, secure world, where countries are free to pursue peaceful change and to realize their political and economic aspirations safe from threats or intimidation.

To address this goal, President Reagan is moving decisively to restore our military strength, to negotiate on disarmament and arms control, and to act decisively and imaginatively to help make peace a reality in regions of the world which have known only anguish and strife for generations.

The second goal is to restore order and stability to the international economic system by recognizing that our own domestic and foreign economic policies must interact effectively to achieve sustainable, noninflationary growth.

A third goal is the President's commitment to expanding the forces of democracy and freedom. Last June, in a speech to the British Parliament, the President pointed out the need to move decisively to strengthen the infrastructure of democ-

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[2] For text of President Reagan's June 8, 1982, address before the British Parliament, see *American Foreign Policy: Current Documents, 1982*, p. 14.

[3] Source: *Authorizing Appropriations for Fiscal Years 1984–85 for the Department of State, the U.S. Information Agency, the Board for International Broadcasting, the Inter-American Foundation, the Asia Foundation, to Establish the National Endowment for Democracy: Hearings and Markup Before the Committee on Foreign Affairs and Its Subcommittee on International Operations, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1984), pp. 3–5. For the comments of Dante B. Fascell, Chairman of the Subcommittee on International Operations, see *ibid.*, p. 1.

racy—a free press, free trade unions, free political parties—institutions which allow people to determine their own future. I will return to this topic later in my statement.

. . . . . .

Finally, Mr. Chairman, let me introduce a program that is not in the State Department budget, but which is of high importance to U.S. foreign policy. The President has indicated his strong interest in Project Democracy, in his State of the Union Address. [4] We are requesting that it be funded in the USIA budget at $65 million in fiscal year 1984. Charles Wick will be discussing it further with you at a later date.

This program represents a major step toward the implementation of the President's London commitment to strengthen democracy and democratic institutions abroad. It is based on a few principal assumptions:

The growth of democracy is essential to the achievement of our key international goals: peace, prosperity, and respect for human rights.

Democracy is a vital force, existing as an expression of the basic drive for freedom. Though its form may differ due to culture and history, its principles are valid worldwide.

In many cases, the advocates of democracy will need help. It is up to the established democracies to provide it.

This support should be open. We need not feel inhibited about advocating what we know to be the best governmental system available.

The President's program emphasizes five areas: leadership training, strengthening the institutions of democracy, education, conveying ideas and information, and developing closer ties between American organizations and individuals and their foreign counterparts. It builds upon current U.S. Government programs and increases support to organizations with a proven track record, such as labor and the Asia Foundation. It contains new proposals and concepts. Finally, it emphasizes institutions and practices that will enhance the long-term protection of human rights.

The program represents what the Federal Government hopes to do in the next year. But Government can accomplish little alone. The strengthening of the forces of democracy abroad must be an effort of all Americans. We thus are looking forward to the recommendations of the independent, bipartisan study by the American Political Foundation of how American nongovernmental organizations can help strengthen democracy abroad. [5] I am gratified, Mr. Chairman, that you are playing a key role in guiding this study.

The democracy project has great promise as an expression of what is most fundamental in American political life and belief. It is inspired by idealism, but also by hardheaded realism about what will best promote international cooperation and stability and respect for human rights.

This is a project of great urgency. Democracy is the present as well as the future. I ask the committee to work with us to give the United States a much needed capability to support the proponents and institutions of democracy abroad. This has to be a consistent, long-term effort. It must be a bipartisan effort. We cannot work miracles overnight. But we must start now.

Mr. Chairman, I am submitting for the record a fuller presentation of our views on Project Democracy, which I submitted to you.

Now I will be glad to try to answer your questions.

MR. FASCELL. Thank you very much, Mr. Secretary.

Without objection the fuller statement on Project Democracy will be included in the record. [6]

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[4] See *supra*.

[5] Reference is to a November 30, 1983, typescript report by the Democracy Program of the American Political Foundation entitled *The American Commitment to Democracy: A Bipartisan Approach*.

[6] For Shultz's prepared statement, see pp. 6-14 of the hearing.

Document 131

Statement by President Reagan, December 16, 1983 [1]

Establishment of the National Endowment for Democracy

Thank you very much. Good morning and welcome. It is good to have you all here to help celebrate the launching of a program with a vision and a noble purpose.

The National Endowment for Democracy is, just as we've been told, more than bipartisan; it is a genuine partnership of Republicans and Democrats, of labor and business, conservatives and liberals, and of the executive and legislative branches of government.

It is such a worthwhile, important initiative that I'm tempted to ask: Why hasn't it been done before?

But we are doing it now, and it is largely because of the hard work of good people. Chuck Manatt, Frank Fahrenkopf, Dante Fascell, Bill Brock, Lane Kirkland, Mike Samuels, you have my heartfelt thanks and warmest congratulations. And a special thank you to our Vice President who has been carrying this message for quite some time now on missions here and there throughout the world.

The establishment of the National Endowment goes right to the heart of America's faith in democratic ideals and institutions. It offers hope to people everywhere.

Last year in London I spoke of the need and obligation to assist democratic development. My hope then was that America would make clear to those who cherish democracy throughout the world that we mean what we say.

What had been preying on my mind that prompted me to say that in that speech to the Parliament was that in my lifetime, my adult lifetime, the world has been beset by "isms". And we remember one of those "isms" that plunged us into a war. And it suddenly dawned on me that we, with this system that so apparently works and is successful, have just assumed that the people would look at it and see that it was the way to go. Then I realized that all of those "isms", they also are missionaries for their cause, and they are out worldwide trying to sell it. And I just decided that this nation with its heritage of Yankee traders, we ought to do a little selling of the principles of democracy.

Speaking out for human rights and individual liberty, and for the role of—the rule of law and the peaceful reconciliation of differences, for democratic values, principles are good and right. But it's not just good enough. We must work hard for democracy and freedom and that means putting our resources, organizations, sweat, and dollars behind a long-term program.

Well, the hope is now a reality. The National Endowment for Democracy, a private, nonprofit corporation funded by the Congress, will be the centerpiece of this effort. All Americans can be proud of this initiative and the congressional action which made it possible.

By engaging the energies of our major political parties, of labor, business and other groups, such as the academic community, the forces of democracy will be strengthened wherever they may be. They'll have a caring group of Americans to go to to get assistance from, advice and cooperation.

This program will not be hidden in shadows. It will stand proudly in the spotlight and that's where it belongs. We can and should be proud of our message of democracy. Democracies respect individual liberties and human rights. They respect freedom of expression, political participation, and peaceful cooperation; governments which serve their citizens in courage, spiritual and economic vitality. And we will not be shy in offering this message of hope.

Through the National Endowment, the private sector will promote exchanges between the American people and democratic groups abroad. It will stimulate participation in democratic training programs

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[1] Source: White House Press Release, December 16, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, December 19, 1983, pp. 1702–1704. President Reagan spoke at a ceremony for the establishment of the National Endowment for Democracy held in the Old Executive Office Building. He began speaking at 11:30 a.m. The source text is the text as delivered.

and institution building overseas. The Endowment will work closely with those abroad who seek to chart a democratic course, and all this work will be sensitive to the needs of individual groups and institutions. And, of course, it will be consistent with our own national interests.

The National Endowment will let the people at the grass roots who make our democracy work, help build it elsewhere. The organizations that are now being formed by the Republican and Democratic Parties and by labor and business will be the key to success. There'll also be expressions of what's best and most valuable in American public life.

Now, we're not naive. We're not trying to create imitations of the American system around the world. There's no simple cookbook recipe for political development that is right for all people, and there's no timetable. While democratic principles and basic institutions are universal, democratic development must take into account historic, cultural, and social conditions. Each nation, each movement will find its own route. And, in the process, we'll learn much of value for ourselves. Patience and respect for different political and cultural traditions will be the hallmark of our effort. But the combination of our ideas is healthy. And it's in this spirit that the National Endowment reaches out to people everywhere—and will reach out to those who can make a difference, and to those who will guide the destiny of their people in the future.

Much depends on us. But we can be confident that the tide of history is a freedom tide. That's the real message of our time. And it may be just the reason why those who don't like to hear the truth are so worried.

The nine countries which joined the United Nations since 1978 are democracies. In Africa, important states like Nigeria and Senegal have entered fully into the community of democratic states. In our hemisphere, 27 out of 35 countries are democracies now, or in transition. And just last week, Argentina completed its dramatic return, with the inauguration of President Alfonsin.

Yes, beyond the world's trouble spot lies a deeper, more positive, and hopeful trend. The march of democracy and the National Endowment will be a part of it. Of course, any undertaking will ultimately be judged by the challenges it accepts and those that it overcomes. All of you in this room have good reason to be proud. You've accepted a worthy challenge.

The National Endowment for Democracy can make lasting and important contributions. It's up to all of us to make it happen, to harness the resources, experience, and wisdom of both the public and the private sectors. It's up to us to broaden our efforts, make them grow. And with the people in this room, I know we can; and I know we will.

So, again, thank you. Good luck. And God bless all of you. (Applause)

C. International Youth Exchange

Document 132

Remarks by President Reagan, January 20, 1983 [1]

President's International Youth Exchange Initiative

THE PRESIDENT. (Applause.) Thank you very much.

First, I want to welcome you and thank you for taking time from your busy schedules to come to Washington. These remarks are, also, being videotaped for the Williamsburg Conference for International Youth Exchange. [2] So to all of you attending that conference, let me extend a welcome.

This is such a distinguished group, both here and in Williamsburg, perhaps I should not tell the story of the mama

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[1] Source: White House Press Release, January 20, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, January 24, 1983, pp. 80-81. President Reagan spoke at a meeting of the President's Council for International Youth Exchange, held in the East Room of the White House. He began speaking at 1:30 p.m.

[2] See *infra*.

mouse who was trying to teach her offspring the ways of the world, and found herself one day—and her family—face-to-face with a great, big cat. And she was a smart little mouse, though. So she started barking like a dog. And the cat, of course, turned tail, and headed for where it came from. She turned to her little ones, and the mama mouse said—"Now, you see; that is the importance of a second language." (Laughter.)

Aren't you fellows going to sit down?

We do need a second language—a language of understanding. Two years ago today, I took the Oath of Office. And in my remarks, I said that—"Peace is the highest aspiration of the American people. We will negotiate for it, sacrifice for it;" [3] I still believe deeply in those words. And the best way, the only way to that peace is through understanding among nations.

Some of you may remember what Winston Churchill said of the United States following World War II. "What other nation in history, when it became supremely powerful, has had no thought of territorial aggrandizement, no ambition but to use its resources for the good of the world." I think that was one of the finest chapters in our history. And we have every reason to be proud.

But today, almost 40 years later, there are many in the world—especially young people—who have no personal memory of that period, who do not understand America and what she represents. They do not know that America still possesses that spirit that Churchill described. The lack of understanding is a serious problem for our future. And that is where you, the members of the President's Council for International Youth Exchange, enter the picture. You and I strongly believe in the American ideal. We must trust our system and our values enough to know that young people from other countries, if they have a chance to visit us and live among us, will come to understand the American experience.

And there's another side to this idea. While we receive guests from other countries, we will also send our own young people to experience other cultures and to carry the American values to their host countries.

To help promote the exchange, last May I proposed the International Youth Exchange Initiative, which was endorsed by the leaders of the six other countries at the Versailles Economic Summit. [4] And I'm pleased that representatives of our Versailles partners could be here today.

I want to thank the members of the President's Inaugural Trust for the donation of a million dollars to the Youth Exchange Program. And I understand that almost another million has been—

MR. WICK: Full million.

THE PRESIDENT: What?

MR. WICK: Full million now, as of this afternoon.

THE PRESIDENT: It's 4 million?

MR. WICK: No, a full million.

THE PRESIDENT: A full million.

MR. WICK: We have 2 million of our own.

THE PRESIDENT: Yes, all right. (Laughter.) Sold to the gentleman in the gray chair. (Laughter.)

And I understand that another million has been pledged by Equitable Life, Atlantic Richfield, NVF, Phillips Industries, Time, Westinghouse, and Archer-Daniels-Midland. Now, how much does that make it?

MR. WICK: That's the million.

THE PRESIDENT: That's the million. Well—

MR. WICK: —recycling. (Laughter.)

THE PRESIDENT: I'm confident that these are the first of many donations from the private sector to reach our goal of $10 million over the next 3 years.

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[3] For text of President Reagan's inaugural comments relating to U.S. foreign policy, see *American Foreign Policy: Current Documents, 1981*, p. 28.

[4] For text of President Reagan's May 24, 1982, statement outlining his proposal for an expanded international youth exchange, see *ibid.*, 1982, p. 421. Regarding the endorsement of the international youth exchange by the participants at the 1982 economic summit held in Versailles, France, see *ibid.*, p. 311.

The Council's work underscores our strong belief in the private sector's role in building the bridges of understanding. Understanding cannot be measured, but our reward will come from those first awkward introductions when a young person meets his or her host family and just months later, when those teary-eyed goodbyes as friends part company. So, I thank you all for being part of this transformation of nations to individuals.

And just within the last few days, if I could add a little experience that I was not present to see but that others of our administration were. While we've been entertaining Prime Minister Nakasone of Japan, and at a dinner just recently, he and his wife and lovely daughter, he in a toast revealed that his daughter had been in such an exchange to the United States. And before he finished telling about what this experience had meant, his daughter was in tears and he was crying. And he also related, the young man who had been the exchange, or the family, and that he had seen them and that they, too, had shed tears on their happy memories of having their daughter in this country. And they felt the same way about the young man that had been in their home on the exchange. And it was—I just thought it was very convenient that this little experience had happened right now while we're meeting here.

But, again, I thank you all very much. And what this exchange does is carries out something I've long believed—the world will be all right if we all start talking to each other instead of about each other.

Thank you very much.

Document 133

Address by the Director of the U.S. Information Agency (Wick), Before a Meeting on International Youth Exchange, Virginia, January 24, 1983 (Extracts) [5]

Organizations for International Youth Exchange

It is a pleasure to welcome you to historic Williamsburg for what I hope will be an historic conference.

As an American, I feel a strong sense of history, for Williamsburg, capital of Virginia over most of the 18th century, proved an ideological training ground while Thomas Jefferson, George Mason, and other patriots edged the 13 American Colonies toward independence. Verbal skirmishes in the House of Burgesses were echoed by the clash of muskets in nearby Yorktown.

So, visiting Williamsburg, I am again struck, not only by a sense of history, but by the legacy of self-government from these Tidewater lands: a belief in the necessity of responsible leadership and a commitment to public duty. Certainly all of you bring these attitudes to our deliberations.

. . . . . .

Just as during Williamsburg's halcyon days in the 18th century there was no office in the United States administering youth exchange, there does not now exist in Washington any central ministry for this purpose.

The Youth Exchange Staff in the U.S. Information Agency was created in response to President Reagan's call at the June 1982, Versailles Economic Summit for expanded international youth ex-

[5] Source: U.S. Information Agency files. Wick spoke at a meeting on International Youth Exchange held in Williamsburg January 23–26, 1983. Representatives from Canada, France, the Federal Republic of Germany, Italy, Japan, the United Kingdom, and the United States met to discuss the history and current status of youth exchanges in their countries.

changes among our countries.[6] This office coordinates our international contacts and administers the program but continues to rely on corporate, foundation, and education leaders both for policy directions and for fund-raising. Toward that end, President Reagan has named a special council which convened for the first time 3 days ago to work toward the expansion of international youth exchange.

Another source of great strength on the U.S. side are the nongovernmental organizations and volunteer networks which, over the years, have played key roles in the administration and policy-formulation of exchange-of-persons programs. I am happy to see those entities represented here today. They will implement our initiative in the United States.

It is my great pleasure on behalf of my government and the President of the United States to welcome you here to this historic site. I have had the privilege of meeting with many of you in Paris in May and in the series of bilateral discussions leading up to this Williamsburg meeting. My aspirations are high and my spirits equally so as we begin this new effort at mutual understanding.

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[6] See *supra*.

Document 134

Address by the Director of the U.S. Information Agency (Wick) at the Annual Conference of the Council on International Educational Exchange,. November 2, 1983 [7]

U.S. Efforts for International Exchange

Thank you very much, Mr. Hunt.[8]

I am happy to see Mr. Allaway—one of our President's Council members—here on the platform. Also Jack Egle,[9] who has worked closely with us through the years.

I particularly welcome our foreign representatives, including Ambassador Lahn[10] from the Federal Republic of Germany, who has made a special effort to be with us for this conference.

Ladies and gentlemen, I am pleased and proud to be able to report to you today that this administration stands solidly in support of international exchanges. In particular, the United States Information Agency—charged with the responsibility for many of our exchange programs—has vigorously sought increased funding for them. I am happy to say, the Congress has been forthcoming and far-sighted in its support. We are now engaged in an all-out effort to take the necessary steps to encourage expansions in international exchange. We will expend our funds well.

If all goes well, we may see an increase of 62 percent in the exchange budget in fiscal year 1984 over fiscal year 1982.

[7] Source: U.S. Information Agency files. Wick spoke at the Capitol Hilton Hotel in Washington. The theme of the conference was "Building Exchanges," with a special emphasis on the President's International Youth Exchange Initiative.

[8] Associate Executive Director, National Association of Secondary School Principals, presiding.

[9] Persons referred to are William Allaway, President of Education Abroad, and Jack Egle, Executive Director of the Council on International Educational Exchange.

[10] Lothar Lahn, Chief of the Cultural Division of the Ministry of Foreign Affairs of the Federal Republic of Germany.

There is, therefore, no doubt in my mind that a serious commitment has been made by all levels and all branches of this government and that significant steps have been taken to carry that commitment out.

Why?

I believe I reflect accurately the sense of the most experienced people in both the foreign affairs and the international exchange communities that there has been a decline in contacts of all kinds, at all levels. This must be corrected.

The circumstances which gave birth to the great post-war explosion in educational exchange are different today than they were then. Our allies stand in a different relationship to us—and we to them—and many nations of the Third World are taking second and third looks at the world around them and, in particular, their relationships with the industrialized nations.

For a long time we, our old allies and our new friends stood in a relationship grounded on the post-war realities of reconstruction, development and a bi-polar great power structure.

The situation is now different.

The present generation in Europe has no memory of America as the benign victor. Its views of America are fundamentally different.

Competing power centers have made more complex the relationship between the superpowers.

Our enthusiasm for rapid development has been tempered by time and experience.

The successes—and the setbacks—of the past 35 years have changed inevitably the environment within which international exchange must operate. Many of the structures and much of the rationale which underlay the first great steps in international exchange are in place and remain valid.

But we are faced with a situation where, while all logic points to the necessity of increased contacts, over time we have seen those contacts, particularly between our young people and our academic populations, decline.

Some of this decline is natural and flows from such factors as increased academic infrastructure, the demands of expanding economies, academic time frames, and career pressures and even the fluctuations on currency markets.

Some of the decline can be traced to an unfortunate trend which sees our young people turning inward, losing that interest and curiosity about other countries, other cultures which characterized earlier student populations.

And much of the decline can be ascribed to sheer ignorance where we here in the United States must carry a full share of the blame. During a period when the number of countries participating in the Fulbright Program increased from 27 to 120, the budget for these exchanges, judged in constant dollars, declined more than 57 percent. It is only in the last 2 years that we have been able to reverse that trend.

And against this background, we have all seen the recent studies—many of you have probably contributed to their preparation.

—Most of our undergraduates can complete their studies without acquiring a foreign language.

—Only 1 in 20 of our undergraduates today enrolls in a course considering foreign peoples or cultures.

—One in five high schools has no foreign language instruction, less than 3 percent of our high school graduates have meaningful foreign language competence.

—Our television devotes less than 2 percent of its programing to international topics.

I know I speak to the converted—and the concerned.

At least in part, we view international exchange as providing some remedies, particularly at the teen-aged level.

You—as we in USIA—have for long dedicated ourselves to the proposition that international exchanges must continue and increase if perceptions between peoples are to be true and undistorted.

You—as we—are convinced that the potential for misunderstanding must be reduced and that the potential for disaster if it is not is great.

You—as we—view increased distances between our younger generations with alarm.

And you—as we—see the potential for great achievement on all fronts enhanced through the cooperation which international exchange affords.

What are we doing to breathe new life into this vital element of our international well-being?

First, let me emphasize that what we do we must do together. To a certain extent we at USIA have a responsibility to sound the alarm and to help in the diagnosis.

USIA's institutional structure and expertise and our embassies overseas have been enlisted in the effort.

We have a responsibility to negotiate with foreign governments. And I can say that in my travels overseas a consensus has been quickly reached that we must do all that is possible to increase our contacts.

I might say that I just returned from a trip to Egypt, Israel, and India. The leaders of those countries—and I think particularly President Mubarak and Prime Minister Gandhi—are keenly interested in expanding exchanges—particularly youth exchanges—with the United States. These world leaders recognize, as President Reagan does, the important role exchanges can play for the future well-being of our nations and peoples.

I have been encouraged in these talks, particularly those with our key allies. They are in agreement that governments must do what is necessary to help revitalize structures.

If I may single out one example as illustrative, the Federal Republic of Germany has joined with us in a broad-ranging effort to increase the levels of exchanges between our two countries. I am particularly pleased to welcome Ambassador Lahn from Germany, whose presence here testifies to the importance his government places on these programs.

But it is our educational institutions and our exchange organizations—and, in a larger sense, our people—who must join together with us if the challenge is to be met.

Our role, as I see it, is catalytic.

Through a variety of means, we are prepared to join with the private sector in our efforts:

—In the Fulbright Program, long the keystone of our academic exchange efforts, special efforts will be made to increase American participation. If all goes well with our budget, we hope to double the number of grants for American graduate students and researchers going abroad.

—An overall increase of almost 50 percent in all Fulbright categories from 1981 to 1983 has been achieved;

—The Hubert H. Humphrey Fellowship program will expand opportunities for foreign officials to spend an academic year in the United States;

—The University to University Affiliation program will continue to be strengthened. This year 29 new affiliations have been initiated;

—Overseas research centers will increase in number and scope;

—We are studying the challenge posed by the presence in the United States of hundreds of thousands of foreign students, who come on their own funds but are forced to discover America unaided;

—We have increased the number of short-term, high-level visitors to this country by one-third. Some 44 current foreign heads of state and 495 cabinet-level officials around the world have participated in this program. In all, over 3,200 alumni of the international visitor program hold prestigious positions in government, media, and other fields.

Other, promising new directions will be described during this conference.

I come now to the initiative with which this conference is primarily concerned: The President's International Youth Exchange Initiative. As you know, the President has given this initiative his personal attention. His interest in it is high.

He said in a letter to Prime Minister Nakasone of Japan: I know that you and I share the belief that the experiences of our young people indeed shape our future world. I was moved when you were here in January by your description of the experience which your own daughter had as an exchange student in the United States.

That is what our initiative is all about—the turning of nations into individuals.

We have attempted to develop this initiative taking into account at all stages the elements which we see as crucial in responding to the challenges of our current exchange environment:

—We are obtaining funding through a mix of public funding and private fund-raising.

—An active President's council is advising on the program and is engaged in fund-raising. It has set for itself an ambitious goal of $10 million—and is well along to meeting that with $3.8 million in pledges already from U.S. corporations.

—We are working exclusively through private, not-for-profit exchange organizations.

—We are seeking—through a just-launched public service advertising campaign developed with the Advertising Council—to raise the level of exchange consciousness throughout the United States—encouraging potential exchangees and host families to come forward. The value of the air time and print space for this campaign is worth conservatively $30 million. This is unprecedented in the exchange field. Several companies—here Westinghouse comes to mind—have imaginatively brought the initiative to the attention of their personnel.

—We are, for the first time on this scale, looking at a teen-aged population. If I may, for a moment, expand on this—the "flickering spark," to which President Reagan referred in his first announcement of the initiative, [11] is one which may be ignited at any time in a person's life. We are convinced that our purposes are best served if as broad and complete a spectrum of our young people as possible can be included in exchange activities. Surely a case can be made for doing this as early in the learning cycle as possible. Therefore, our emphasis on youth.

—We are working closely together with partner governments in this initiative, developing bilateral programs whose aim it is to bring the possibilities of an exchange experience to as many diverse groups as possible, including young workers, young professionals—young people not necessarily on the so-called academic track.

—As needed and when possible, we are encouraging in-depth orientation and language study prior to departure.

—We are encouraging longer stays with as much home-stay experience as possible.

—We are working closely with American communities to encourage networking and sharing of resources, infrastructure and experience.

There will be other opportunities during this conference for all of you to become better acquainted with this initiative.

[11] For text of President Reagan's May 24, 1982, statement, see *American Foreign Policy: Current Documents, 1982*, p. 421.

D. International Communications Policy

Document 135

Statement by the Coordinator for International Telecommunications and Information Policy-Designate, Department of State (Dougan), Before a Subcommittee of the House Foreign Affairs Committee, February 22, 1983 [1]

Role of the Coordinator for Telecommunications and Information Policy; U.S. Participation in International Telecommunications Conferences

Thank you, Mr. Chairman. As luck would have it, I think my stamina will hold

[1] Source: *Oversight of the UNISPACE and International Telecommunications Union Conference: Hearing Before the Subcommittee on International Operations of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1984), pp. 16–20.

out a little longer than my voice. But if you will, bear with me.

I would like to, of course, thank you all for inviting me to appear before the subcommittee today and as you mentioned earlier, I am going to be focusing more on the future rather than the past. I think Ambassadors Gardner and Beggs in the written testimony make some very instructive and informative comments. [2] I would also like to take a moment to add my own compliments to Ambassador Gardner for the effective dedicated work he did as a member of the private sector in the public interest, as chairman of our delegation.

I am now going to focus on the future, however, and among other things, the creation of the Office of the Coordinator.

I think it is particularly appropriate that I have been asked by this committee to bring you up to date on the establishment of the Office of the Coordinator, because as you pointed out, you have been very instrumental in advocating that it be created. And I might add personally that I am very honored that both the administration and the Department of State have asked me to take on this very vital responsibility.

As you know, the Office of Coordinator was created to provide a long overdue focal point for international communication and information policy, not only within the Department of State, but within the whole Federal community.

In past administrations, telecommunication issues have been treated generally as only incidental factors in other, presumably more overriding, policy issues. This must change. As other nations have come to recognize telecommunications-related policies as a lynchpin of economic, political, and national security interests, so must we. The Reagan administration recognizes this and is taking action to meet more effectively the new economic and technological challenges. The administration's initiative in setting up the Office of Coordinator for International Communications and Information Policy is a vital step.

There is undoubtedly no single or correct organizational answer to how the U.S. Government can deal most effectively with these issues. Telecommunications is decidedly complex, difficult to understand, and subject to rapid technological, economic, and policy impacts. There are many players and many interests which have major roles in our international communication and information policy. Rearranging or creating new bureaucratic boxes which deal with these issues is only part of the answer. But by establishing a single and identifiable office within the executive branch to coordinate the policy formulation and implementation activities of the disparate Federal agencies who have direct interest, we have indeed taken a positive and significant step. This view is also shared by the private sector, as this subcommittee well knows. U.S. business interests have long been frustrated by not being able to identify a specific office, much less department, to deal with their concerns abroad. Telecommunications is particularly bedeviling on this score because, more often than not, U.S. business must deal directly with foreign governments rather than business counterparts abroad.

As someone from the private sector who has been in telecommunications for 17 years, I very much share the concerns of the private sector in dealing with these issues. And as coordinator, I plan to substantially increase the utilization of appropriate private sector expertise and perspective in policy formulation.

As Executive Secretary of the Senior Interagency Group on International Communication and Information Policy, I have already established a working relationship with the 14 Federal agencies who have primary interests in these areas. In addition, I am instituting more frequent and regularized information sharing and consultation at the operational as well as policy levels.

Another key area is the Federal Communications Commission. As an independent regulatory body, the Commission is not subject to executive branch veto. As the Commission's decisions and activities have increasingly farflung impacts on U.S. policies abroad, it is essential that there be

[2] For testimony by Michael R. Gardner, head of the U.S. delegation to the Plenipotentiary Conference of the International Telecommunications' Union held in Nairobi, Kenya, September 28–November 5, 1982, see *ibid.*, pp. 2–15. For testimony by James M. Beggs, Administrator of the National Aeronautics and Space Administration and head of the U.S. delegation to the Second U.N. Conference on the Exploration and Peaceful Uses of Outer Space, held in Vienna, Austria, August 9–21, 1982, see *ibid.*, pp. 38–78.

effective coordination and consultation between us. Thus, I am particularly pleased by the outstanding support and cooperation I have already received from Chairman Fowler and his staff.

It has already proven to be extremely helpful in the few weeks I have been informally on board. And speaking of formally, the office will, in fact, be launched within the next few weeks.

The initial staff will be lean and purposely unbureaucratic. As you can see, I am not standing on a lot of ceremony at this point because there is an awful lot to be done.

With the committee and resources of the Department of State and the increased attention of senior policy people throughout the Government, I am optimistic.

I would like to add the very considerable interest and attention that Under Secretary Schneider has given to this issue has been both invaluable from a personal standpoint, but also in setting up the office. I think we are very fortunate to have someone who on a personal basis has such an interest.

I would now like to turn to the specific issues related to today's hearings—international telecommunications conferences. Although this is just one of the many areas in which the Coordinator's Office has lead responsibilities, it is exceedingly important.

Unlike many conference arenas, international conferences in telecommunications do more than consult or posture. Most international telecommunications policies are de facto decided under the auspices of international organizations such as the ITU. International telecommunications law may be painted as a landscape of gray, but the proliferation of resolutions, declarations, conventions, recommendations, and even opinions from these plenipotentiary meetings is creating a sharply outlined and regulated world. These international proceedings in turn affect or effect domestic U.S. telecommunications laws and policy. Little wonder we take them so seriously.

The Mobile Services World Administrative Radio Conference (WARC) will begin next Monday, February 22, 1983, in Geneva and is scheduled to last 3 weeks. Its scope is highly technical and operational and limited to specific urgent matters relating to the mobile services. Even with that premise, we are operating on a basis that we must plan for political contingencies. So we have taken particular care to brief this delegation, notwithstanding the presumed benign technical aspects of it. We have done extensive briefings for them on the political as well as the technical aspects of the conference.

I have given particular attention to identifying and establishing a broad-based Washington home team. I think this is where your question of continuity comes in. Not only am I setting this up, and it is probably perceived as a little bit of overkill on my part in having such an extensive home team for this particular conference, but I think we are fortunate in that it can be almost like a dress rehearsal for some of the conferences coming up. The home team for this one, I think, can start building that continuity for future deliberations because the technical interest and focus of conferences are not always the same, so it is not necessarily advisable to always have the same people involved in deliberations. But some of the ancillary issues are, in fact, the same. And this is where the continuity factor is particularly important.

The home team members will include members of the Senior Inter-Agency Group as well as staff level experts on the technical, political, and administrative issues. As I mentioned earlier, I am using this as a base for the Region 2 home team, and, in fact, I probably will be naming that within the next 3 or 4 weeks, even though it is 5 or 6 months ahead of time. But I want to bring them on board in the process as quickly as possible, so that even though they happen to be on the home team, they should know as much as the people we have over in the trenches.

The next conference is the Region 2 Broadcasting Satellite Conference which takes place June 13 to July 15 in Geneva. [3]

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[3] Ambassador Abbott Washburn, Chairman of the U.S. delegation to the 1983 Regional Administrative Radio Conference Direct Broadcasting Satellite Service, reviewed U.S. participation in the conference in testimony before a subcommittee of the Senate Foreign Relations Committee. See *International Communication and Information Policy: Hearings Before the Subcommittee on Arms Control, Oceans, International Operations and Environment of the Committee on Foreign Relations, United States Senate, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 154–164.

Its basic agenda is to carry out the planning of the broadcasting satellite services in the 12 GHZ band. We generally refer to it in the United States as DBX, Direct Broadcasting Satellite. The other two regions have already had their planning conferences and, in fact, have set some bad precedents in terms of a priori planning. So this conference is of particular importance to us, to say nothing of the fact that it represents a potential industry projected to exceed $5 billion over the next several years for U.S. interests alone.

I would say the watchword of this conference and others should be "flexibility." The future cannot be well served by the rigidity and brittleness of a priori planning.

It is clear that we and many other countries want to avoid the adoption of an unrealistic plan, much less an inflexible one, such as the one that was adopted in 1977. We want to see more flexible forms of agreement. We also want to have flexibility in procedures to meet new requirements not foreseen at the time of the conference and allow for necessary modifications to those plans to address changing technical, operational, and economic realities.

Substantial preparations have already been underway for these conferences. The FCC, through its notice of inquiry processes, its public advisory committees, and internal staff efforts, has been the focal point for many of the technical preparations for this conference.

In fact, Abbott Washburn as chairman of our delegation, was nominated almost a year ahead of time. So we have had some lead-time in terms of the conference delegation chairman. He has not been caught in the same time bind that Ambassador Gardner was.

We also have a recommended delegation list of about 31 people who have, in fact, been working on a steering committee basis with Commissioner Washburn since mid-November.

Internationally, the Department has already coordinated an extensive program of consultation with foreign countries, including preparation for the ITU conference preparatory meeting, the CITEL of the OAS and others.

Further consultations on a multi- and bilateral basis are also planned.

The High Frequency WARC Conference is something you are going to be hearing a lot more about. Literally, the Voice of America, Radio Free Europe, and Radio Liberty are going to be on the spectrum chopping block in this particular conference. It will be very important to our public diplomacy initiatives. That will be held January 18, 1984. It will be held in two sessions.

The second session will be to carry out the plans; that will be in October of 1986. The January 1984 one is the adoption of the technical standards and the planning principles and methods.

What you are seeing here is that conferences build on one another. I concur with your point about continuity. None of these conferences really act in isolation; decisions or priorities that are set or precedents that are set in one conference become very difficult to undo in future conferences.

I would say as an aside, one of the other things that I think is very important in our whole planning process is not just continuity, but contingency planning in general, planning for the future including the interrelationship of conferences. This is one of the patterns that I hope to be able to establish.

I know time is running short, so I will abbreviate the rest of my testimony.

The High Frequency Conference has been in a preparatory stage for several years. In the technical area, an IRAC committee has been dealing with this since 1980. And there are a number of international forums as well as interagency groups that have been involved in this.

We are going to be having a number of bilateral negotiations. I already chaired one earlier this month with the Canadians. We expect to formally name a chairman of the H.F. delegation within the next few weeks. Our candidate, I might add, is a member of the private sector and a very distinguished one at that.

The Space WARC Conference will be in mid-1985, and again mid-1988. The agenda will be developed at the ITU administrative counsel meeting this May.

So again you are building these processes very early on and way in advance.

I have touched on preparations themes in general. Criticisms that have been made of the past are valid. But I think that we have to focus on what we are going to do now, where we are going from here, rather than looking back. The forums, the whole arena of international conferences is going to be increasingly complex, increasingly contentious, so that no amount of planning is going to make life easier for us. But that is certainly an area that I intend to devote considerable time to.

I would like to add a couple of fine points, however. That is, in planning for these conferences, we cannot just focus on the last year of preparation after the delegation has been officially formed. It is the years preceding that mold the preparations. We must continuously look ahead if we are to protect our future.

The other, and I think equally important, factor is that we just can never take for granted our relationships with these international organizations. As Ambassador Gardner pointed out, we came within 4 votes of leaving the ITU. If these forums are taken over by composers of political anthems rather than the architects of technical agreements, we must reexamine our role and participation. In other words, we must be continually vigilant, and work not only through the systems we have, but look to alternative systems and nurture those as well.

At a minimum, we must pursue contingency planning, including more effective use of bilateral and multilateral consultations. This does not necessarily mean we leave the ITU, but we cannot even consider scenarios of how we deal with alternatives without, first, making the best of the forums that already exist including the ITU, but make no mistake our overriding commitment is to the interest of the United States, and we must nurture whatever forums that best meet those interests.

Thank you.

Document 136

Remarks by President Reagan, June 23, 1983 [4]

World Communications Year 1983

MR. ELLINGHAUS. Good morning, Mr. President.

THE PRESIDENT. Bill Ellinghaus, is this you?

MR. ELLINGHAUS. This is I.

THE PRESIDENT.—Listen, I'm very pleased to have been invited by you to be a part of the U.S. Council meeting for World Communications Year, [5] since I know that this gathering is the focal point for a number of important announcements.

The American Communications Industry has repeatedly demonstrated our nation's technological and entrepreneurial leadership. And I'm very pleased to note that the spirit of private enterprise that's made our world leadership possible has at the same time demonstrated our national concern that world communications innovations should represent a force for economic prosperity and goodwill.

In fact, something of that technology is apparent in this very call because I know you're utilizing a satellite but also I'm calling you from *Air Force One* someplace out here between Washington and Chicago.

I understand that the announcements of U.S. investments in World Communications Year projects range from large to the small and from the technical complexity of IBM's Caribbean Inter-Island Disas-

[4] Source: White House Press Release, June 24, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, June 27, 1983, pp. 911–912. President Reagan spoke to William Ellinghaus, Chairman of the U.S. Council for World Communications, by telephone from aboard *Air Force One*, en route from Washington to Chicago, Illinois. The conversation began at 10 a.m. EDT.

[5] President Reagan proclaimed 1983 "World Communications Year: Development of Communications Infrastructures" for the United States in Proclamation 5006 on December 16, 1982.

ter Warning System to the simplicity of international educational exchange.

And while we don't want to lose sight of the importance of the educational exchange and technical assistance investments, I'm pleased to see the extraordinary possibilities of the new technologies represented in the New York Teleport. The Teleport project represents the best kind of public/private partnership with the Port Authority of New York, the city of New York, the States of New York and New Jersey, Merrill Lynch and Western Union—have all joined in creating a facility that will establish a communications gateway and permit vast, new communications possibilities.

And I'm pleased to see that with the efforts of Roger Birk, the Chairman of Merrill Lynch, Mayor Koch, the Port Authority of New York—all of you are to be commended for what you're doing. At this Council meeting of the World Communications Year, we should all be pleased that you've managed to combine your concern for world communications needs and for the nations and peoples who've historically been less fortunate with this introduction of another great American achievement.

So, God bless you all and thank you for letting me participate by this long-distance method.

MR. ELLINGHAUS. Mr. President, on behalf of the World Communications Year '83 Council, I want to thank you for your very, very encouraging words and certainly for demonstrating in a most effective way how communications do, in fact, bring us very close together.

It's a great send-off for our meeting here at the White House. So, we thank you again, Mr. President.

THE PRESIDENT. Have a good meeting.

MR. ELLINGHAUS. Thank you, sir.

THE PRESIDENT. You bet. Goodbye.

MR. ELLINGHAUS. Goodbye, sir.

Document 137

Statement by the Head of the U.S. Delegation to the Conference of the International Program for the Development of Communication (Dougan), Tashkent, Soviet Union, September 5, 1983 [6]

International Communications Assistance

We are here today to discuss important communications issues, and I wish to begin by noting that this meeting is being held under the cloud of a tragic event which is a source of great concern to all of us here. It reaffirms with bitter irony the vital necessity of communications among nations.

The governments of many countries have already issued formal statements of outrage and protest of the shooting down by the Soviet Union of the unarmed Korean Air Lines passenger plane with the loss of 269 lives. I want to clearly and forcefully reiterate the grave concern of my government and the people of the United States.

We can neither understand nor excuse this terrible act. The distrust, uncertainty, and fear which such wanton actions introduce into the international atmosphere increase the difficulty of developing understanding between nations and are, in themselves, obstacles to the improvement of international cooperation in every field. I believe in a very sad way this incident highlights the extreme importance of clear and honest communications among nations.

I am here for some very simple and straightforward reasons. My government, at the highest level, believes in the importance of international communications assistance. Furthermore, we are encouraged that the International Program for the Development of Communication can be an effective and important arena for forward-

[6] Source: Public Information Series, Bureau of Public Affairs, Department of State. The source text is Dougan's opening statement at the conference, which was held from September 5 to 12, 1983.

ing the goals of international communications assistance.

My colleagues and I have come to Tashkent for this fourth IPDC meeting to reaffirm yet more strongly our commitment as a government to communications development in other countries. Possibly even more significant, we bring to you a strong commitment from our private sector. The creativity and expertise wiiich rests in the private sector—the nongovernment part of the United States—is the very core of our society and the driving force for whatever we as a nation have been able to accomplish in our brief 200 years of existence. Particularly in the area of communications, it is not government entities which have researched and created the technology which has contributed so dramatically to the advent of satellite, telephone, and computer technology of this so-called telecommunications revolution. It has been in large measure the creativity of individuals and small, as well as large, private companies. During the past year in the United States, we have worked hard, both in government and industry, to focus our country's attention on the need for the developing world to participate more fully in the benefits of communications.

The expanded development of communications technology, training, and service is already doing much to bring us closer and closer to a global communications capability. Increased efficiency and lower cost of telecommunication hardware and software are trampling the barriers to access by even the most remote parts of the globe. But we must focus constructively on these new opportunities, not on the old barriers, if nations are to benefit from this growing technological resource.

In our view the IPDC is earning a vital role in this process. I commend the pragmatic and nonpolemical approach of the IPDC during these early years of its existence. The IPDC council has made progress toward the goal of providing constructive and practical assistance through IPDC projects. This has not been easy. The economies of most nations, including my own, have only just begun to emerge from severe economic recession.

Resources continue to be scarce. Furthermore, people throughout the world still have very limited awareness of the key role of communications technology in development. Those who recognize the need for increased communications capabilities are still unsure how to apply limited economic resources to fill the need. Given these factors, Dr. Amunugama [IPDC Director] [7] and the IPDC Secretariat deserve special credit for demonstrating that the IPDC has a unique and important contribution to make.

In the United States, we have also made considerable progress this past year in nurturing increased government and private sector interest and support for communications development. At previous meetings, the U.S. Government committed $550,000 for the support of IPDC projects. Today, I am pleased to announce that our contribution [over 3 years] will be almost double that—$850,000 in 1984. Funds can be converted to other currencies as needed; $350,000 will be used as funds in trust. Another $500,000 will be used to support IPDC projects consistent with the overall objectives of the U.S. Agency for International Development (AID). Of this amount, $300,000 will be used as matching funds to contribute to projects supported by other donors. Because we believe so strongly in sustaining and building the momentum underway, we are prepared, subject to congressional approval of funds, to continue this matching fund arrangement in 1985 and 1986.

Even more significant than our government commitment is the increased interest of the U.S. private sector. For example, the U.S. Council for World Communications Year, a private sector organization representing 109 corporations, associations, and universities, has undertaken the responsibility for coordinating nongovernment support for IPDC projects. It has already created one foundation to support the IPDC approved project with the Arthur Clarke Center for Modern Technologies in Colombo, Sri Lanka. We see this as the beginning of a productive new partnership in my country between the private sector and the IPDC. It is an encouragement to all potential donors to look increasingly to their private sector for additional support for IPDC projects.

The United States is a large and diverse country with many groups playing an active role in communications development assistance over and above support channeled through the IPDC. In fact, the great majority of U.S. assistance to date, from both government and the private

[7] All brackets are in the source text.

sector, continues through channels established long before the IPDC was created. For instance, AID in 1982, through its traditional assistance programs, obligated more than $91 million to projects around the world that are helping countries develop and use their communications infrastructures. These programs include the application of radio, satellite, and other telecommunications technologies in support of economic development, agricultural growth, health care, and education. Many of these are pilot projects opening new paths, stimulating new ideas, and increasing the communications capabilities of countries in Asia, Latin America, Africa, and the Near East.

The U.S. Information Agency (USIA) is conducting an increasing number of academic and professional exchanges in the communications field. These programs are bringing government, telecommunications, and media leaders from developing countries into direct and extensive contact with their American counterparts. This not only provides assistance from the United States to developing countries but increased understanding in my own country of the communications needs and approaches of the Third World. Over 100 countries have been recipients of communications assistance-related projects through AID and USIA.

This does not begin to include projects supported by other parts of the U.S. Government and the private sector of joint government-private sector initiatives such as the United States Telecommunications Training Institute, which was announced last year at the plenipotentiary meeting of the International Telecommunication Union (ITU) in Nairobi. In this program, the U.S. telecommunications industry is offering free training, of the highest professional caliber, to Third World specialists. The institute has now completed its summer semester courses in which 106 professionals and technicians from 54 countries have participated. At the moment, a course in satellite communications for development is being provided to another 25 developing country professionals. Before the year is over, it expects to reach its initial goal of providing training for over 300 Third World technicians.

IBM Corporation, in partnership with the Governments of Antigua and Bermuda, has established a prototype computerized storm warning system for the Caribbean, scheduled for completion in 1985. This system's early warning will be invaluable in helping protect lives and property which are caught up in more than 100 dangerous tropical storms that occur annually in the Caribbean. GTE Corporation is donating ultra-high-frequency radio and multiplex equipment for a communications link between Mozambique and Zimbabwe. In addition to providing a vital communications link between Mutare and Beira, it will provide a major addition to the Pan Africa Telecommunications Network.

Many other private corporations and organizations—such as the American Society of Newspaper Editors, The World Press Freedom Committee, and a number of American universities—are actively engaged in programs to bring the latest expertise in communications to other nations. There are many, many more examples, too numerous to cite here, of what is taking place between the United States and developing countries in this area. We will make available through the UN Educational, Scientific and Cultural Organization a folder of reference documents outlining in more detail examples of the myriad of U.S. Government and nongovernment projects in progress. Increasingly, these public and private activities can be coordinated with or conducted through the IPDC.

As the IPDC can increase its ability to provide an organized, practical, and nonideological clearinghouse for communications assistance projects, it will be able to take on a proportionately more important function in this area. The IPDC must continue to develop a track record of financing effective and practical projects that enhance the values of free and expanding communication. I believe there are additional steps which we should consider in this context, for example, followup and evaluation of the success and problems of IPDC projects, increased documentation, and publicity of the "success stories" of the IPDC.

I would also like to say that in the IPDC the principle of consensus has worked well for us all. Obviously, different views exist on priorities and the urgency of different projects. But council members to date have, for the most part, approached these differences with the vision required to assure that each one's needs are understood and accommodated through consensus. Since there is more than enough for

us to do upon which we can readily agree, it would be a disservice to the countries we seek to assist to jeopardize the consensus principle.

Much has been done, and there is much to be done. We continue to be encouraged and committed to expanding the communications horizon for all of us. The cultural integrity, richness, and diversity of every country has always depended on its ability to communicate.

Whether it is the writing on tombs in Tashkent that harken back to its 2,000 years of civilization or the highspeed data transmission of this conference's documents, civilization is only remembered by its ability to communicate.

Document 138

Letter From the Secretary of State (Shultz) to the Chairman of the Senate Foreign Relations Committee (Percy), September 21, 1983 [8]

U.S. Objectives and Activities in the International Information and Communication Field

DEAR MR. CHAIRMAN: In your letter of June 22, 1983, [9] you raised a number of important questions concerning policies of the United States in the field of international communication and information. This area is of growing importance to our national security, our competitiveness in world markets, our political relations with other countries, and our foreign policy in general. I welcome the interest and attention of the Committee on Foreign Relations, and share your concern that improper or inadequate management of the issues involved could raise significant problems for the United States.

International communication and information policy is a broad policy field. It includes areas such as press freedom and free flow of information among nations, international trade, foreign direct investment, distribution and use of the natural resources of communications (frequency spectrum and satellite orbital positions), technical standards, intellectual property rights, high technology research and development, public diplomacy, monetary policy, and a host of other concerns which are major components of foreign policy. Clearly, in this area the policies that we as a nation formulate and implement in the international arena are critical to the national interest.

Our basic objectives in this area are: to promote an environment in which ideas and information can flow more freely among nations, to support the advancement of international commerce through the efficient and innovative use of communications resources, and to expand information access and communications capabilities of developing countries. The first objective is fundamental to the advancement of democratic institutions throughout the world; the second reflects the strategic contribution communications and computers make to the expansion of opportunities for worldwide trade and investment; the third recognizes communications as an important catalyst for growth in developing countries. These objectives can be most effectively achieved by relying whenever possible on free enterprise, competition, and free trade, with a minimum of direct government involvement or regulation.

We vigorously pursue competitive, deregulatory policies domestically, and they will continue to serve as the foundation for our policy internationally. However, it is essential in pursuing our international objectives to realize that the United States has adopted policies quite different than most other nations where state-run monopolies provide the bulk of telecommunications services. There are difficulties in extending our domestic communication and information policies into the international arena. Seeking acceptance of our policies by other governments can best be accomplished by example and through consultation and negotiation. I intend to pursue actively these objectives by working to improve existing international organizations (including the International Telecommunication Union, the Organiza-

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[8] Source: *International Communication and Information Policy: Hearings Before the Subcommittee on Arms Control, Oceans, International Operations and Environment of the Committee on Foreign Relations, United States Senate, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 4–5.

[9] For text, see *ibid.*, pp. 3–4.

tion for Economic Cooperation and Development, and the General Agreement on Tariffs and Trade) and through bilateral consultations with other nations. We have in the past few months initiated comprehensive talks on a wide range of communications issues with the United Kingdom and the Federal Republic of Germany, and preparations for similar consultations with other countries are in progress.

Formulation and implementation of policy in this area require active participation by a number of federal agencies. No single agency possesses the resources or expertise necessary to advance effectively the interests of the United States in this area. Further, serious harm could be done to our interests by uncoordinated decisions or pronouncements by the agencies involved. Recognizing this, we have established the Office of the Coordinator for International Communication and Information Policy to provide a needed senior-level focal point for U.S. Government policy in this area. We are actively seeking the cooperation and support of other agencies.

Initially, some of the projects we have undertaken and planned through the leadership of the Coordinator's Office and in cooperation with other agencies include:

The initiation of bilateral consultations with other governments on a broad range of international communications and information issues.

A review of international organizations that handle issues in communications and information with a view to assessing how the interests of the United States can be most effectively advanced through these and alternative forums.

The development of a computerized data bank to enable us better to coordinate interagency formulation, implementation and oversight in the field of international communication and information period.

A systematic upgrading of reporting and information exchange between Washington and our embassies abroad and the possible designation of special attachés for communication and information in key countries.

An assessment of communication and development assistance including the identification of what the United States is providing through various programs not typically labeled "assistance for communication development" but which in fact provide such assistance.

The improvement of our preparations for international telecommunication conferences by more advanced interagency planning of strategies and positions and further refinement of the "Home Team" concept which we recently instituted to provide more sophisticated and continuing support from Washington for our delegations abroad.

The refinement of policies involving intellectual property rights including just compensation for the creators of information and programing in the context of our commitment to the free flow of information.

The review and formulation of recommendations on our international satellite policies in light of technical and economic changes and of recent applications to the Federal Communications Commission by private companies proposing alternative systems.

An assessment of the structure and effectiveness of public advisory bodies and mechanisms to facilitate the vital exchange of information between government and private interests and to utilize better private sector expertise in policy formulation.

This list is far from exhaustive, but I believe it will give you an indication of the scope and the seriousness with which we are approaching our major responsibilities in this crucial policy area. Significant progress on this ambitious agenda requires strong support, cooperation and commitment of resources from all the federal agencies involved. I am impressed with the progress to date.

I look forward to an ongoing exchange of views on all of these issues and will keep you fully informed of our activities and progress in the coming months. The Department stands ready to participate in the hearings planned by the Foreign Relations Committee. Answers to your specific questions are enclosed. [10]

Sincerely yours,

GEORGE P. SHULTZ

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[10] For text, see *ibid.*, pp. 6–8.

Chapter 10. Europe and Canada

A. Regional and General Policies

Document 139

Letter From President Reagan to the People of Europe, January 28, 1983 [1]

An Invitation To Negotiate an Intermediate-Range Missile Ban

American and Soviet officials have just resumed negotiations aimed at reaching an agreement to control intermediate-range nuclear weapons. We have proposed and will continue to urge the Soviets to agree to ban altogether both their intermediate-range land-based nuclear missile weapons and those we intend to deploy in response to their buildup. The Soviet insistence on maintaining a nuclear threat to America's allies while denying them the corresponding means to deter that threat remains the principal obstacle.

A way must be found to overcome this obstacle. Just as our allies can count on the United States to defend Europe at all cost, you can count on us to spare no effort to reach a fair and meaningful agreement that will reduce the Soviet nuclear threat.

In this spirit, I have asked Vice President Bush, in the city where East meets West, [2] to propose to Soviet General Secretary Andropov that he and I meet wherever and whenever he wants in order to sign an agreement banning U.S. and Soviet intermediate-range land-based nuclear missile weapons from the face of the Earth.

I make this offer out of a conviction that such an agreement would serve the interests of both sides and, most importantly, that the people of Europe want nothing more. I urge Mr. Andropov to accept it.

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[1] Source: White House Press Release, January 31, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, February 1, 1983, pp. 158–159.

[2] See *infra*.

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Address by Vice President Bush, West Berlin, January 31, 1983 [3]

Peace and Security in Europe

I passed through Germany some months ago on my way to a funeral in Moscow, but this is my first time in Berlin. That fact alone surprises me, because Berlin has long been in my consciousness, as it has been in the consciousness of all Americans. Twenty years ago, in a square now called John F. Kennedy Platz, an American president gave a speech which is still well remembered. In his speech he said of those who do not understand the great issues between the free world and the Communist world: "*Lass' sie nach Berlin kommen.*" ("Let them come to Berlin.")

I am glad that this speech should come in the first day of my European trip. No other city in Europe could offer a more compelling setting for this discussion tonight. For Berlin is unique, an island of democracy in a threatening sea. It has survived violent storms. Throughout, the

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[3] Source: *Current Policy* No. 447, January 31, 1983, Bureau of Public Affairs, Department of State. The Vice President left Washington on January 30, 1983, to visit Bonn (January 30–31), Berlin (January 31–February 1), The Hague (February 1–2), Brussels (February 2–4), Geneva (February 4–5), Nuremberg (February 5), Rome and the Vatican (February 5–8), Paris (February 8–9), and London (February 9–10). He returned to the United States on February 10. All ellipses in this document are in the source text.

character and unbreakable courage of its citizens have inspired lovers of freedom all over the world.

For nearly four decades now, the people of the Federal Republic of Germany and her allies have worked together, with diligence and with passion, to see that Berlin survived as a free city. I spoke a moment ago of the American consciousness of Berlin. Those of us who were alive in 1948 and 1949 recall vividly the struggle for Berlin. The memories of Berliners who lived through that period still evoke feelings that bind us to each other.

I am thinking of the Berlin worker who said, "Early in the morning, when we woke up, the first thing we did was to listen to see whether the noise of aircraft engines could be heard. That gave us the certainty that we were not alone, that the whole civilized world took part in the fight for Berlin's freedom."

I am thinking, too, of another sanguine Berliner who reflected after it was all over: "God knows, even the best blockade is no bargain. But if there must be a blockade, then it's better to be blockaded by the Soviets and fed by the Americans. Just imagine if it were the other way around!"

The German and American peoples have a long and spirited relationship. Nearly 20 percent of the American people trace their origins to this country. This year will mark the 300th anniversary of the first German immigrants to America. I don't expect you to be impressed by that. Three hundred years is not such a long time to inhabitants of a city that is almost 750 years old; but for us it is a very long time indeed.

Tomorrow morning I shall visit the Berlin Wall, a monument to a great evil. I will only be visiting it; but you must live with it and with all that it does to the German people. That monstrous wall helps us all to reflect on what we have achieved and on how we achieved it. The alliance on the other side of the wall is based on domination; ours is based on cooperation. And it is in that spirit that I have come to Europe. I have come in the pursuit of peace. During the next 10 days I will be meeting with many European leaders. And if my visit to Europe encourages public debate, I welcome it. NATO is strong enough to sustain the most spirited public debate. We do not shrink from dialogue, because for the Western democracies, diversity has always been our source of strength.

And so I have come to Germany with neither a lecture, nor threats. You have been subjected to both of these in recent weeks from those who have accepted your hospitality; and, as you say, "*Genug ist genug.*" ("Enough is enough.") When he arrived in Berlin 20 years ago, President Kennedy said, ". . . those who live nearest the adversary, those who keep the watch at the gate, are always prouder, more courageous, more alive, than those who live far to the rear." He who presumes to instruct Berliners presumes a great deal indeed.

Those of us who live in the rear—if any territory in this nuclear age can truly be called the rear—can learn by standing in the shadow of the wall. Equally compelling is the principle upon which our alliance is based. It is there, for friend and foe to see, in the North Atlantic Treaty, Article 5—an attack on one of them shall be considered an attack on all.

NATO's strategy has no more important goal than that of making this principle credible. If our linkage to each other is credible, we can ensure deterrence. We can insure our freedom. And we can insure peace.

But the Soviet Union's unprecedented arms buildup of the last 15 years has threatened to undermine the credibility of NATO's deterrent. And the Soviets have attempted to break the linkage between European and U.S. security so essential to Article 5. The Soviet buildup has been relentless and thorough, conventional and nuclear. There is no disagreement on that score. And one of its most dangerous new elements has been its monopoly on intermediate-range nuclear missiles which can strike Europe. I am speaking of weapons which could reach this room in a few minutes.

If the Soviet Union eventually succeeded in breaking that linkage—if it could separate the United States and our armed forces from the defense of our allies in Europe—our deterrence would be undermined, and with it the peace we have all maintained for nearly four decades. And that is precisely why in December of 1979, the nations of NATO—all the nations of NATO—made a two-part decision: first, to deploy in Europe NATO weapons capable of deterring an attack by Soviet SS-20s

and other intermediate-range nuclear forces (INF). The second part of the decision was to enter into negotiations with the Soviet Union in order to reduce the level of these weapons on both sides. [4]

(As a footnote to December of 1979, it is worth remembering that was also the month the Soviet Union sent tens of thousands of its troops into Afghanistan, where over 100,000 of them remain today.)

NATO's decision was the result of exhaustive consultation. As a consequence, it was the right decision. It was the right decision then; and it is the right decision now.

It has also become a controversial decision. It has become controversial in part because of certain myths that have gained currency. Under the light of reasoning, these myths vanish, because they are shadows without substance.

The first myth is that the deployment of these intermediate nuclear forces would change NATO's strategy. Untrue. The exact opposite is the case: The INF decision is, in fact, essential in order to maintain the strategy that has always been a bedrock of NATO—maintaining linkage between the United States and its allies that insures deterrence.

The second myth is that this decision was somehow thrust on an unwilling Europe by the United States. Anyone who so much as reads newspapers knows this is absurd. The NATO decision was a response to widespread concern, especially in Europe, over the alarming buildup of Soviet INF forces.

Third, we are asked to believe that the INF deployments would increase the alliance's reliance on nuclear weapons. But, in fact, we decided at the same time to withdraw 1,000 nuclear warheads from Europe. That withdrawal has been completed. Thus, even after deploying the INF forces, there would still be fewer allied nuclear warheads in Europe than there were in 1979.

The fourth, and last, myth is that these INF deployments would be a step toward nuclear war-fighting and to war-fighting confined to Europe alone. But NATO's policy has always been one of peace and deterrence, which depends on balance, not imbalance. As to the notion that the United States desires to confine conflict to Europe alone, well, I find this proposal bitterly ironic. I can do no better than to quote from a European publication, *The Economist* of London, from a cover article entitled: "Can So Many Young People Be Wrong About the Bomb? Yes, They Can." The article said: "Nothing more justifiably infuriates the Americans than the allegation that they want to put cruise missiles and Pershing II missiles into Europe in order to have a purely European nuclear war. These missiles were originally proposed—by Europeans—for exactly the opposite reason." *The Economist* is right. Nothing infuriates the President and me more than the suggestion we are preparing to fight a nuclear war, because we are not preparing to fight a nuclear war. We are preparing to deter war.

It is the very presence of American forces that provides a guarantee of U.S. involvement in any attack on Western Europe. And that goes a long way toward guaranteeing that the Soviets will not be encouraged to launch an attack. There are in Europe about 350,000 American military personnel, who, as part of the NATO security forces, provide, in President Reagan's words, the "living" guarantee of our commitment to the peace and security of Europe. Our security is indivisible from Europe's security. An attack on you is an attack on us.

From time to time I am asked what I think of the antinuclear peace demonstrators. I confess I am sometimes tempted to say, "Which ones do you mean? The ones here or the ones in the Lubyanka?" Well, my answer is this: I have great warmth for anyone who is for peace. It so happens we, too, are for peace. I also have the greatest warmth for anyone who is against nuclear war. It so happens we, too, are against nuclear war.

The NATO countries have fought and paid the price for the framework of freedoms within which those antinuclear groups march and demonstrate and speak their minds. Is there any among us who is not proud that these voices can find their fullest expression in our countries? Is there any among us who would not welcome, or even thrill to, the sight of anti-

[4] For text of the communiqué issued following a special meeting of NATO foreign and defense ministers, December 12, 1979, see *American Foreign Policy: Basic Documents, 1977–1980*, pp. 494–496.

nuclear demonstrations in Red Square? Is there any West German who was not saddened to witness the swift and ruthless suppression of a similar movement on the other side of the wall? Franz Kafka, were he alive, might have been grimly amused by the fact that the Eastern regime even outlawed the very symbol of their movement: a Soviet statue of a man beating a sword into a ploughshare.

There have been other movements in the Warsaw Pact countries. And we remember them well. We remember East Germany in 1953. We remember Hungary in 1956. We remember Czechoslovakia in 1968. And today our thoughts are of Poland. Outside of Europe, the world has seen over 100 armed conflicts and wars since NATO came into being. Joseph Luns, our alliance's Secretary General, said, memorably: "NATO is the real peace movement."

We are always—and especially now—looking for new ways to preserve what we have won over the last four decades. That is why both elements of NATO's decision on INF are inseparable and mutually reinforcing. By that I mean just this: If we are to be credible in our arms negotiations, the alliance must be united in its determination to deploy the INF systems if necessary. Why? Because otherwise the Soviet Union will simply have no incentive at all to negotiate seriously. None whatsoever.

When he came into office, President Reagan reviewed the INF decision and endorsed it. Then, in November 1981, he announced a proposal. The United States, he said, would seek the complete elimination of these most destabilizing and threatening weapons—the land-based intermediate nuclear missiles. [5]

The Soviet Union, in the meantime, responded with a thundering "Nyet," followed by a tremendous public offensive designed to drive a wedge between the United States and its European allies. As part of that offensive, Mr. Gromyko, the foreign minister of the Soviet Union, traveled to Germany recently. He spent a good deal of his time declaring that the United States is, as usual, trying to plunge the world into nuclear holocaust. I followed Mr. Gromyko's statements very closely, and I was left wondering whether he reminded Germans of the German proverb: *"Wenn der Fuchs predigt, schau auf deine Gaense."* ("When the fox preaches, look to your geese.")

The Soviets have made proposals of their own. They said that the zero-option proposal was unacceptable. Then they said that even an interim-basing agreement would be unacceptable. One concludes that what the Soviets do find acceptable is its own monopoly of nuclear weapons aimed at the heart of Europe. Having said that, I think I can safely predict that the Soviet Union will announce tomorrow that it finds me unacceptable.

For his part, President Reagan has said that the United States will consider any and all reasonable Soviet offers at the negotiating table in Geneva. That is what we are doing right now. Ambassador Paul Nitze [head of the U.S. delegation to the INF negotiations in Geneva] is meeting now with his Soviet counterpart to negotiate a treaty that will maintain NATO's security and preserve the peace.

The United States is a member of a defensive alliance. And it takes pride in having tried, since 1945, to bring about arms control through negotiations with the Soviet Union. The very first proposal for international control of atomic bombs was proposed by President Truman at the United Nations. The Baruch Plan, as it was named, called for the "creation of an international Atomic Energy Development Authority" to which all aspects of the development and use of atomic energy would have been entrusted. [6] The Baruch Plan, which called for on-site inspection of nuclear facilities, was rejected by the Soviet Union—at a time when the United States was the only nation possessing atomic weapons.

Then, in 1955, President Eisenhower called for an "open skies" policy. [7] He

[5] For text of President Reagan's address before the National Press Club, November 18, 1981, in which he proposed that the Soviets dismantle their SS-20, SS-5, and SS-4 missiles in return for the cancellation of the scheduled U.S. deployment of the Pershing II missile in Europe, see *ibid.: Current Documents, 1981*, pp. 177–182.

[6] Reference is to the U.S. plan for the international control of atomic energy, presented to the U.N. Atomic Energy Commission by U.S. Representative Bernard M. Baruch, June 14, 1946.

[7] Reference is to President Eisenhower's "open skies" proposal, presented to the leaders of the Soviet Union, United Kingdom, and France at the Heads of Government Conference in Geneva, July 21, 1955.

proposed that the United States and the Soviet Union immediately exchange blueprints of their military establishments and begin aerial reconnaissance in order to prevent surprise attack and begin a comprehensive and effective inspection and disarmament system. This, too, was rejected by the Soviet Union.

Other American presidents made some progress, however limited. President Kennedy put forward the atmospheric test ban treaty; and President Nixon was able to negotiate the anti-ballistic missile treaty and SALT I. [8] But these did not stop the proliferation of increasingly sophisticated nuclear weapons.

During the past 37 years, we have been dealing with determined adversaries, who know their objective and who have moved methodically to achieve it. Their objective—not ours, but theirs—is clear military force superiority over the United States and our European allies, intended to break the security linkage that has made the NATO alliance so effective.

Yet, in spite of this, the United States has pursued a policy of unilateral nuclear restraint for more than a decade. As I mentioned earlier, in 1981 alone, the United States withdrew 1,000 nuclear warheads from Western Europe. I know of no comparable, uncompensated nuclear reduction by the Soviet Union in the entire postwar period. As a matter of fact, since the mid-1960s, the United States has reduced its nuclear arsenal worldwide by some 8,000 warheads.

During the last decade, the United States did not deploy any new ICBMs, or any new ballistic-missile submarines, or any new bombers. But over the same period of time, the Soviet Union deployed an entire new generation of land-based strategic missiles, including three multiple-warhead, land-based systems, as well as three new submarine systems and a new bomber. In so many words, the United States has maintained a self-imposed, decade-long, *de facto* freeze during the time the Soviet Union pursued a vigorous military buildup.

On November 2, 1977, Chairman Brezhnev said: "We do not want to upset the approximate equilibrium at present . . . between East and West and Central Europe, or between the U.S.S.R. and the United States." At that time the Soviet Union had about a dozen SS–20s.

But it was that old fox Lenin who said, "Facts are stubborn things." Since Mr. Brezhnev made that statement, Soviet SS–20s have been sprouting like fields of asparagus, more than 300 in all. These could not have been put there to redress some supposed military imbalance created by the West, because NATO has no comparable weapons. Indeed, the first comparable NATO weapons will only be available for deployment at the end of the year, more than 6 years after the SS–20s first appeared.

This is why it is very difficult to believe that the Soviet Union's motives are, as it says, purely defensive. Berliners know better than most what it takes to wrest an acceptable agreement from the Soviet Union. NATO's deployments are in the headlines today, but a decade ago the headlines were about the negotiations over the very status of Berlin itself. The Soviet Union had mounted a public offensive to divide the allies then, as they have today. But the West, by negotiating in good faith, by being creative and flexible, and by remaining true to the principles which have brought us so far, was able to secure an agreement which preserved Berlin's vital interests.

The United States views its presence in Berlin as an absolutely sacred trust. Our military forces stand ready to defend the Western sectors from any threat. We are totally dedicated to the Quadripartite Agreement, [9] and we will continue to expect strict observance and full implementation of all its provisions in all sectors of Berlin, East and West. We also support fully the ties between Berlin and the Federal Republic of Germany, because they provide the vital foundation for the economic prosperity and for the democracy of the Western sectors.

So one asks: Is it being intransigent to follow the same path today in our negotia-

[8] For text of the U.S.-Soviet agreements limiting anti-ballistic missile systems and strategic arms, both of which were signed in Moscow on May 26, 1972, and entered into force on October 3, 1972, see 23 UST 3435, 3462.

[9] For text of the Quadripartite Agreement on Berlin, which was signed on September 3, 1971, and entered into force on June 3, 1972, see 24 UST 285.

tions with the Soviet Union that we followed a decade ago? Or prudent?

We know that many in Europe and the United States are anxious for a rapid agreement—for a breakthrough in our arms negotiations in Geneva. Permit me, if you will, a personal note. I work very closely with President Reagan. And you can take me at my word when I say that no one is more anxious than he for a just agreement. And no one is more determined than he to achieve one.

Now permit me to ask this: Should we, in our eagerness for a rapid agreement—for any agreement, as it were—lose sight of our basic objectives, bearing in mind these are no less than security and peace? Such a question answers itself. No, we must not let our eagerness for rapid negotiating progress cause us to lose sight of or compromise our basic objectives—objectives vital to achieving an agreement which provides for the security of Europe.

First, we must reduce the nuclear threat to Europe to the lowest possible level. We would fail miserably in our responsibilities to ourselves and to our children if we merely legitimized the already awesome levels of nuclear firepower directed by the Soviets against Europe. We would fail, too, if we accepted a somewhat lower but still unimaginably destructive Soviet monopoly. And that is why we proposed the complete abolition of intermediate-range nuclear missiles. Because that is how to reduce the nuclear threat to the lowest possible level.

Second, we must bring about a balanced agreement. It cannot be acceptable to the West to concede a permanent monopoly of nuclear missiles to the Soviets without allowing NATO to deploy comparable systems to deter the threat they represent.

Third, a sound agreement must preclude artful circumvention. It is not enough merely to permit the Soviets to withdraw mobile missiles behind some artificial line, only so they can re-cross the line on short notice. Nor is it enough to give the Soviets credit for offering to eliminate some obsolete and unreliable missiles—military antiques, really. Let us all agree that we need more effective measures than that if we are to reduce the nuclear threat to Europe.

Fourth, we need an agreement which can be verified. Even with sophisticated intelligence capabilities, it is very difficult to keep track of mobile missiles. The fact is, it is easier to detect some missiles when there are supposed to be none, than it is to detect, say 60 missiles when there are supposed to be 50. That is a crucial point. All the more so when you cannot rely on your negotiating partner to be fully forthcoming in your attempts to verify the size of his arsenal.

I have spoken tonight at some length. The complexity of the issues before us is sometimes overwhelming. The number of missiles, the number of launchers, the number of warheads, their throw-weight, proposal, counterproposal, counter-counter-proposal—these facts and numbers have, I think, obscured a much more central and much more compelling realization, because we are united by needs that supersede mathematics.

It is hard to avoid the details. But if numbers are to inform our consciousness and our reasoning, should we not consider, above all, 38? We all know what that represents: The amount of years we have lived in the peace and security that we together made possible by binding ourselves to each other. Thirty-eight years—the longest, uninterrupted peace this continent has known this century. Then our real mathematical reckoning and our most demanding task becomes: How do we diminish the deadly numbers, while seeing to it that those four decades increase?

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Address by the Under Secretary of State for Economic Affairs (Wallis) Before the U.S.-German Industrialists' Group, New York, March 7, 1983 [10]

Economics and Security in East-West Relations

In the 6 months since I took the oath of my present office, one of the real pleasures has been coming to know and to work with members of the German Government. You have some very able and very fine people serving you. I must admit that I am biased by the fact that we tend

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[10] Source: Department of State *Bulletin*, June 1983, pp. 38–40.

to think alike. By that, I do not mean that we always agree. I mean that our disagreements lead to constructive and friendly discussions that shed light, not heat, and result at least in understanding one another and usually in a reduction of the degree of disagreement. So, as I say, I am genuinely pleased to be with you.

I want to talk with you about a subject which goes to the heart of relations between the United States and Germany, indeed, the heart of relations between the United States and Europe. I want to talk about the West's commercial and financial relations with the Soviet Union and Eastern Europe. This is an area where there is agreement between us on basic principles but not on applications of those principles.

There are two distinct points of view on East-West trade. The first, I will call the "trade" viewpoint. It emphasizes the lucrative market in the East for Western goods. Most goods that the Soviets want to buy are available from a number of sources, are not sensitive, and are not "high technology" items with military applications. Those who hold this view favor almost unrestricted trade with the East.

The second viewpoint, which I will call the "security," stresses the fact that the Soviets seek to use Western goods and technology to further their military, strategic, and economic goals to the detriment of Western interests. This view emphasizes that the Soviet economy and its political-military apparatus are an integrated whole. In the most extreme form, it argues that any Soviet economic gains can readily be transformed into strategic benefits. The group that takes this position naturally favors severe limits on East-West trade.

I have described these two viewpoints in extreme terms. Scarcely anyone holds either view as starkly as I have expressed it. The question for Western policymakers, both American and European, is where to go between these two extremes. No one wants a total cessation of trade; no one advocates selling advanced military hardware to the U.S.S.R. My impression is that Europeans have generally been closer to the first, or "trade," viewpoint, whereas Americans, especially in this Administration, are closer to the "security" view.

President Reagan made his concerns on these issues clear at the Ottawa economic summit in 1981. He urged that the alliance take a hard look at the policies which had governed economic relations with the Soviet Union since the late 1960's. He asked whether the expected moderation of Soviet behavior had occurred. He encouraged his colleagues to study the problems of vulnerability to interruptions by the Soviets of supplies on which the West might become dependent. After discussing the issue, the leaders at Ottawa adopted a historic statement on this question: "We . . . reviewed the significance of East-West economic relations for our political and security interests," the leaders said at Ottawa. "We recognized that there is a complex balance of political and economic interests and risks in these relations. We concluded that consultations and, where appropriate, coordination are necessary to ensure that, in the field of East-West relations, our economic policies continue to be compatible with our political and security objectives." [11]

In response to similar concerns, the alliance leaders made the following statement at the Versailles summit the following year:

> "We agree to pursue a prudent and diversified economic approach to the U.S.S.R. and Eastern Europe, consistent with our political and security interests. This includes actions in three key areas. First, . . . our representatives will work together to improve the international system for controlling exports of strategic goods to these countries and national arrangements for the enforcement of security controls. Second, we will exchange information in the OECD on all aspects of our economic, commercial and financial relations with the Soviet Union and Eastern Europe. Third, taking into account existing economic and financial considerations, we have agreed to handle cautiously financial relations with the U.S.S.R. and other Eastern European countries in such a way as to ensure that they are conducted on a sound economic basis, including also the need for commercial prudence in limiting export credits. The development of economic and financial rela-

[11] The quotation is from paragraph 36 of the joint declaration of the Ottawa Economic Summit Conference, July 21, 1981; for text, see *American Foreign Policy: Current Documents, 1981*, p. 268. Ellipsis is in the source text.

tions will be subject to periodic ex-post review." [18]

The Reagan Administration supports trade between the West and the communist nations—as between any nations—where that trade is conducted at prevailing market prices and terms, where there is a mutual balance of advantages, and where the specific transaction—or category of transactions—does not contribute directly to the strategic advantage of the Soviets. Western consumers and producers, both agricultural and industrial, can benefit from such trade. The President stated last November 13 that we favor mutually beneficial trade and that it is not our policy to engage in economic warfare with the Soviet bloc. [19]

At the same time, it is clear that the Administration has profound concerns about the security implications of East-West trade as we have seen it develop over the last decade. Let me try to explain our concerns.

The Soviets have used their trade with the West to improve productivity and avoid bottlenecks in their stagnant economy. A major reason for their poor economic performance and their consequent need for Western equipment is their diversion of resources to a huge military buildup—equivalent to about 14 percent of their gross national product. This level of armament is far beyond any level that might reasonably be needed for defensive purposes. It can only be viewed as an ominous threat to the rest of the world, especially the free societies and democratic governments. It imposes huge costs on the Western countries to protect themselves.

In a few instances, the Soviets have even used Western manufacturing equipment to produce military goods. The Kama River plant built by Americans made trucks that now are in Afghanistan with Soviet troops. The Bryant ball-bearing grinders have improved the accuracy of Soviet missiles beyond what they could have attained with other grinders. By acquiring Western technology the Soviets have been able to produce greater quantities of weapons than would have been possible with their own technology.

Soviet purchases of high technology equipment for extracting and transmitting energy will increase their production and exports of oil and gas in the late 1980's and 1990's. This has two unfortunate consequences.

First, it involves increased risk to Western consumers that the Soviets could interrupt supply as a political instrument. Even if overall energy dependence on the Soviets seems not to be excessive, specific regions or industries may be quite vulnerable since the immediate availability of reserve stocks or substitute fuels is small.

Second, it provides significant additional Soviet hard currency earnings to the Soviet Union, thus contributing to their ability to engage in expensive overseas adventures. As a result, we tend to view Western sales to the Soviets of energy-related equipment—equipment that for the most part they cannot produce for themselves—as seriously detrimental to Western security.

As a consequence of these and similar concerns, President Reagan has laid down a number of principles to govern our trade with the East.

We will not provide subsidies or preferential treatment to the Soviets beyond that which we would provide to any nation on an ordinary commercial basis. We believe that we should not subsidize Soviet pursuit of goals that are inimical to Western interests.

We will not sell any equipment or information to the Soviets that they can divert to military uses, or that they can use to support military uses. If we did provide such goods, we would be trading away, at one stroke, the West's most important strategic advantage—its superior technology and productive efficiency.

As I stated earlier, we do not believe it is wise to provide the Soviets with technologically advanced oil and gas extraction equipment, the use of which would increase their foreign exchange resources and allow them to expand their overseas adventures.

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[18] The quotation is from paragraph 3 of the final communiqué of the Versailles Economic Summit Conference, June 6, 1982; for text, see *ibid., 1982,* p. 308. Ellipsis is in the source text.

[19] For text of President Reagan's radio address to the Nation announcing the removal of economic sanctions against the Soviet Union, November 13, 1982, see *ibid.,* p. 446.

We will, however, continue to sell the Soviets goods that cannot be used for military or strategic purposes; such sales reduce the foreign exchange that they have available for other uses.

We will endeavor to avoid, and we will urge our friends to avoid, situations where we are overly dependent on the Soviets to supply a critical resource.

Western security is not uniquely a U.S. concern. It must rally the entire alliance. While there has long been a consensus that the West should avoid transferring equipment of direct military relevance, only recently have Europeans begun to think about East-West economic relations in a broad strategic context. As you no doubt know, the seven summit countries are currently engaged in a major effort to convert the agreements at Ottawa and Versailles—which I quoted a moment ago—into concrete policies. These efforts, which took on new life on November 13 when the pipeline sanctions were lifted, include:

A study within NATO that will highlight the security implications of East-West trade and develop a stronger overall rationale for distinguishing between trade which the Soviets might exploit to the detriment of our security and trade that has no significant strategic implications.

An effort within the OECD to monitor more closely the magnitude of East-West credit and trade and to identify major imbalances resulting from trade between market and nonmarket economies. Also in the OECD, we are working within the Arrangement on Export Credits to bring export credit practices closer to market terms for trade among all developed countries, including the U.S.S.R.

In conjunction with the OECD, the International Energy Agency will study Western requirements for energy, and attempt to identify major vulnerabilities in Western supplies of energy and means of reducing these vulnerabilities.

In COCOM—the informal group that oversees strategic trade controls—we want to enhance Western security by initiating multilateral controls on other high technology equipment, including oil and gas equipment not now under control. At the same time, we are joining with our COCOM allies to harmonize and strengthen the mechanisms that we use to enforce COCOM controls, as was agreed in January 1982.

We recognize that we all have important trading relations with the East and that those are perhaps more deeply established in Europe than in the United States. We also understand the particular geopolitical circumstances involved in much of this trade. We believe, however, that the joint studies now going on will produce a strong rationale for assuring that such trade is at least as much to our advantage as to the Soviets'.

We are not looking for a formal treaty. The first phase of the process now underway will provide the information necessary for each participating nation, acting on the basis of its own national judgments and decisions, to weigh the security implications of trade and draw the conclusions it considers appropriate.

Allow me to recall for a moment a painful period in U.S.-European relations that is relevant to the issue at hand. In December 1981, President Reagan reacted to Soviet adventurism in Poland. Among other actions, he restricted exports of certain U.S.-made equipment for the production and transmission of oil and gas. [14] In June, he widened the restrictions to foreign subsidiaries and licensees. [15] European suppliers of equipment for the Yamal pipeline were caught up in those restrictions. U.S. companies also were seriously affected and lost substantial business.

We do not want—we did not want in June 1982 and do not want now—the friction, tension, and bickering associated with those export restrictions. But we do want a consensus within the alliance that economic relations must "be compatible with our political and security interests." The President lifted the export controls because he believed that such a consensus had been hammered out and that it would lead to concrete policy actions. The efforts in NATO, OECD, COCOM, and in national capitals must, in our view, head in that direction.

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[14] For text of President Reagan's statement imposing sanctions against the Soviet Union, December 29, 1981, see *ibid., 1981,* pp. 636–637.

[15] For text of the President's statement on June 18, 1982, extending the December 29 sanctions, see *ibid., 1982,* p. 436.

To conclude, I want to cite a few statistics.

The United States spent $183 billion (outlays) on defense in FY 1982 (6.6 percent of gross domestic product—GDP); we are spending nearly $1.4 trillion over the next 5 years (FY 1983–87).

We estimate that Germany spent about $23.1 billion on defense in 1982 or about 3.4 percent of its GDP. [16]

We estimate that Japan spent about $11 billion on defense in 1982 or about 0.9 percent of its GDP.[16]

This money is not being spent to defend ourselves from each other or, as Herb Stein has pointed out, from the Sioux Indians. It is being spent because we see what the Soviet Union is spending, what it is building, and what it is doing, at home and around the world.

Our question is: To what extent are our economic relations with the Soviet Union forcing us to spend even more on defense? The results are not all in, but we are going to urge a careful evaluation when they are.

Document 142

Statement by the Assistant Secretary of State for European Affairs (Burt) Before a Subcommittee of the House Foreign Affairs Committee, March 7, 1983 [17]

East–West Issues and the European Allies

Thank you, Mr. Chairman. Thank you for those opening remarks again. It gave me an opportunity to catch my breath. I apologize for being late. As you pointed out, I do have an opening statement which I will submit for the record.[18] It deals with a range of issues that you have just touched on, including the status of current European integration efforts, what we are doing with the allies to bolster conventional defenses, and some of the current United States-European Community trade issues about which I know there is a great deal of interest.

What I will concentrate on in my brief remarks today is really three separate issues: One, the state of play of our efforts within the alliance to work out a common set of policies concerning East-West trade; second, the state of play in our current discussion and dialog with the allies on the question of the December 1979 INF decision; and lastly, I will make a few remarks on the new Soviet leadership and prospects for United States-Soviet relations.

On the question of East–West economic relations, we believe that we have set into place over the last several months a high-level dialog between the members of the Alliance on East-West economic relations—you remember that dialog was initiated following the pipeline controversy—which has been successful.

You will recall there was an informal meeting of allied foreign ministers at La Sapinière in Canada last fall,[19] and that did provide impetus for resolving the pipeline dispute itself, and establishing a process for reaching a consensus on the main element of East–West economic relations.

In his visit to Europe last December, Secretary Shultz built on that consensus, and did achieve agreement on a program of studies which will help us give concrete expression to a Western policy on economic relations with the East over the longer term. Right now those studies are underway in various fora. We have a study in NATO looking at the security implications of East–West trade on the NATO alliance. We have studies concerning finan-

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[16] German and Japanese data are estimated 1982 expenditures computed using 1981 prices and exchange rates. Aggregate 1982 overall NATO dollar expenditures are not available but percent of GDP is about 4.9 percent. [Footnote in the source text.]

[17] Source: *Developments in Europe, March 1983: Hearing Before the Subcommittee on Europe and the Middle East of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session,* (Washington, 1983), pp. 1–4. The chairman of the subcommittee, Lee H. Hamilton, presided over the session.

[18] The prepared statement is *ibid.*, pp. 5–20.

[19] For a brief account of the results of the informal meeting of the NATO foreign ministers at La Sapinière, Quebec, October 2–3, 1982, see *American Foreign Policy: Current Documents, 1982,* p. 497.

cial flows and energy dependence underway in the OECD and within Cocom, the so-called coordinating committee.

The alliance countries and Japan are examining technology transfers. We will continue to pursue these studies, and they will be the topic of discussion in a group of high-level meetings that are coming up this spring. The first is the OECD ministerial in May. In May we also have the Williamsburg summit of the industrialized countries, and in June we have a NATO foreign ministers meeting in Paris, and we expect East–West economic issues and the status of those studies to be addressed at all three meetings.

Moving to INF, and the status of the 1979 decision, I think the first point to make was the success of the Vice President's mission to Europe last month. The Vice President presented our assessment of the negotiations and listened carefully to what our allies had to say. The result was virtually complete accord on what we are trying to achieve in the negotiations in Geneva, and what is necessary for an acceptable agreement for the United States and the alliance as a whole.

I think equally important, the Vice President was able to dispel a number of myths about the alliance's December 1979 decision, which have confused publics in Europe and, I might add, the United States.

Despite the success of the Vice President's mission as well as the election outcome yesterday in Germany, the debate over INF is clearly not over. People in Europe are concerned about nuclear weapons issues, as they rightly should be. No other issue is more important. The President has, I think, made very clear the concern, the commitment he has to making progress on arms control.

We and our allies continue to be in full agreement about our proposal for eliminating an entire class of longer range land-based INF missiles in Europe and, I might add, worldwide. We are negotiating in good faith, and as we have said many times, ours is not a take-it-or-leave-it proposal. Our proposal as well as our negotiating position in Geneva, and Paul Nitze's instructions to listen to serious counterproposals, are based on four principles, and I think it is worth listing those principles very quickly.

First, is that we can only reach a fair agreement on the basis of equality between the United States and the Soviet Union.

Second, is a corollary. British and French strategic systems are by definition not part of those bilateral negotiations, and we will not take them into account in these negotiations.

Third, Soviet proposals which have the effect of shifting the threat from Europe to Asia cannot be considered reasonable, and I might add here that Secretary Shultz heard a great deal in his recent visit to Asia from Asian friends and allies about their concerns about any INF agreement that redistributed the Soviet SS–20 threat to Asia.

Fourth, as in all areas of arms control, it will be essential that any INF agreement be verifiable.

While we continue the negotiations, we will make, I think, a much better effort to inform our publics, both in the United States and in Europe, about INF issues, and we will continue the really unique pattern of consultations that we have had underway with the allies prior to the December 1979 decisions, and after that decision.

Finally, Mr. Chairman, on East–West relations, I think it is timely now to say a few words about the status of our relations with the Soviet Union, and what we know about the Soviet Union, now that it is in the midst of its first leadership transition in 18 years. Yuri Andropov has inherited from his predecessor a mixed legacy of impressive gains in foreign and domestic policy, and a host of pressing problems.

During the Brezhnev period, the Soviet Union did emerge as a global military power, and on the domestic scene, unprecedented stability was maintained within Soviet society and the ranks of the Communist Party.

At the same time, Yuriy Andropov has inherited some difficult policy dilemmas. The unprecedented military buildup and Soviet geopolitical expansionism has generated a strong, if belated, American response, and has ultimately raised the risk for the Soviet Union of empirical overextension in places like Afghanistan.

The domestic stability of the Brezhnev era ultimately degenerated into immobility as the application of consensus became increasingly inadequate to deal with the mounting economic problems and the deepseated malaise of Soviet society.

Thus, by the time of Brezhnev's death, the new Soviet leadership faced a set of mutually reinforcing foreign and domestic problems as severe as that confronted by any Soviet leadership since the death of Stalin.

Internationally, détente with the United States, which was the centerpiece of Brezhnev's policy, has collapsed, and at home Yuri Andropov faces a number of serious structural economic problems. It is too early to make any definitive judgment about the Andropov policy so far. I would only say that continuity seems to be the watchword for both domestic and foreign policy, but, I might say, a more energetic practice of continuity.

Mr. Andropov has instituted a series of far-reaching reforms, not structurally but anticorruption drives, in a number of sectors of Soviet society, designed to improve efficiency. He has begun to move people around within the Soviet bureaucracy, but our Soviet experts to date have not seen any pattern or any indication that this is going to lead to any fundamental change in the organization of the Soviet economy or the organization of the Soviet political apparatus.

In terms of foreign policy, we see a more energetic application of the Soviet peace offensive in Europe, in an effort to derail the December 1979 decision. We see the beginning of talks with the Chinese as well as more diplomatic activism in South Asia.

But, again, we see no indications to date that the Soviet practice of neoimperialism, as an assertive Soviet foreign policy backed up mainly by the growth of military power, is in any way going to be changed or evolved, at least in the near future.

I will stop there, Mr. Chairman, and be happy to take your questions.

Document 143

Statement by President Reagan, March 30, 1983 [20]

Intermediate-Range Nuclear Forces Negotiations

Thank you very much. Last week, when I addressed the American people on this administration's defense program, I expressed our determination to reduce our reliance on the terrible power of nuclear weapons to assure the peace.

And today I want to say a few words about this critical aspect of our security policy—our efforts to drastically reduce the arsenals which burden the lives of our own citizens, of our friends and allies, and, yes, of our adversaries as well.

As you know, over the last year and a half, this administration has undertaken a comprehensive and far-reaching arms control program designed to achieve deep reductions in nuclear arms, to rid the world of chemical weapons, and to cut the size of conventional forces in Europe. I'll be saying more about these initiatives in a speech tomorrow. [21] But this morning let me focus on one of these negotiations.

I have just met with the Ambassadors of the countries of the North Atlantic Alliance. We invited them here because the citizens of their countries share with Americans a profound hope for success in the Geneva negotiations on intermediate-range nuclear missiles.

The forces being discussed in the INF negotiations directly affect the security of our allies. As I told you last week, the Soviet Union has deployed hundreds of powerful, new SS–20 missiles, armed with multiple warheads and capable of striking the cities and defense installations of our allies in Europe, and of our friends and allies in Asia as well. The Soviets have

[20] Source: White House Press Release, March 30, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, April 4, 1983, pp. 478–480. The President made the statement in the East Room of the White House beginning at 10:01 a.m.

[21] See document 36.

built up these forces even though there's been no comparable threat from NATO. They've deployed them without let-up—there now are more than 350 SS–20 missiles, with more than 1,000 nuclear warheads. NATO will begin deploying a specific deterrent to this threat late this year, unless, as we hope, an agreement to eliminate such weapons would make this deployment unnecessary.

The United States, with the full support of our allies, has been negotiating in Geneva for more than a year to persuade the Soviet Union that it is a far better course for both of us to agree to eliminate totally this entire category of weapons. Such an agreement would be fair and far-reaching. It would enhance the security of the Soviet Union as well as the security of NATO. And it would fulfill the aspiration of people throughout Europe and Asia for an end to the threat posed by these missiles.

So far, the Soviet Union has resisted this proposal and has failed to come up with a serious alternative. They insist on preserving their present monopoly on these weapons. Under their latest proposal, the Soviets would retain almost 500 warheads on their SS–20 missiles in Europe alone and hundreds more in the Far East, while we would continue to have zero. Their proposal would actually leave them with more SS–20 missiles than they had when the talks began in 1981. In addition, the Soviets have launched a propaganda campaign aimed apparently at dividing America from our allies and our allies from each other.

From the opening of these negotiations nearly 18 months ago, I have repeatedly urged the Soviets to respond to our zero-zero proposal with a proposal of their own. I've also repeated our willingness to consider any serious alternative proposal.

Their failure to make such a proposal is a source of deep disappointment to all of us who have wished that these weapons might be eliminated or at least significantly reduced. But I do not intend to let this shadow that has been cast over the Geneva negotiations further darken our search for peace.

When it comes to intermediate nuclear missiles in Europe, it would be better to have none than to have some. But if there must be some, it is better to have few than to have many.

If the Soviets will not now agree to the total elimination of these weapons, I hope that they will at least join us in an interim agreement that would substantially reduce these forces to equal levels on both sides.

To this end, Ambassador Paul Nitze has informed his Soviet counterpart that we are prepared to negotiate an interim agreement in which the United States would substantially reduce its planned deployment of Pershing II and ground-launched cruise missiles, provided the Soviet Union reduce the number of its warheads on longer-range INF missiles to an equal level on a global basis.

Ambassador Nitze has explained that the United States views this proposal as a serious initial step toward the total elimination of this class of weapons. And he has conveyed my hope that the Soviet Union will join us in this view. Our proposal for the entire elimination of these systems remains on the table.

We've suggested that the negotiations resume several weeks earlier than originally planned. The Soviets have agreed to that and talks will resume on May 17th.

I hope this initiative will lead to an early agreement. We remain ready to explore any serious Soviet suggestions that meet the fundamental concerns which we have expressed.

I invited the NATO Ambassadors here today not only to review these developments, but to express my appreciation for the firm support which the allies have given to our negotiating effort in Geneva. And I can assure them of my personal commitment to the closest possible consultations with them on the INF.

This consultative process has already proven one of the most intensive and productive in the history of the North Atlantic Alliance. It has made the initiative announced today an Alliance initiative in the best sense of that term. And over the past months, we and our allies have consulted intensively on the INF negotiations.

I have been in frequent and close contact with other Heads of Government. Vice President Bush had a very productive discussion with allied leaders on INF during his trip to Europe. Secretaries Shultz and Weinberger have exchanged views with their counterparts from allied governments. And the NATO Special

Consultative Group has met regularly to review the negotiations and consider criteria which should form the basis for the Alliance position in INF.

The very thoughtful views expressed by the allies in these consultations have been of significant help in shaping this new initiative. This process is a model for how an alliance of free and democratic nations can and must work together on critical issues. It is the source of our unity, and gives us a strength that no one can hope to match. And it gives me great confidence in the eventual success of our efforts in Geneva to create a safer—safer world for all the Earth's people.

Thank you very much. (Applause)

Document 144

Fact Sheet Issued by the White House, March 30, 1983 [22]

New Proposal for an Interim Arms Agreement

Today, the President announced that the United States has put forward in Geneva a new proposal for an interim agreement under which the United States would substantially reduce its planned deployment of Pershing II and ground-launched cruise missiles provided the Soviet Union reduc 4 the number of its weapons on longer-range INF missiles to an equal level on a global basis. The United States views this proposal as a serious initial step toward the total elimination of this class of weapons, and hopes that the Soviet Union will join us in this view.

In December 1979, the NATO countries agreed on a two-track approach to Intermediate-range Nuclear Force (INF) issues. In response to the increasing Soviet INF threat, especially the deployment of new Soviet SS-20 missiles, the allies agreed to deploy 108 Pershing II ballistic missiles and 464 ground-launched cruise missiles (GLCM's) in Europe. At the same time, the allies also called for arms control efforts to limit these and comparable Soviet INF missile systems.

On November 18, 1981, following alliance consultations, President Reagan made a farreaching proposal as the basis for the U.S. position at the INF negotiations which began on November 30, 1981. This proposal called for the total elimination of the entire class of US and Soviet land-based, longer-range INF missiles, in other words zero missiles of this type on either side. The United States continues to believe that this would be the best and most moral outcome to the negotiations. Security would be enhanced for both East and West.

Unfortunately, the Soviet approach to the negotiations has been very different. They have so far been adamant in their refusal to give serious consideration to our "zero-zero" proposal, or to come up with any acceptable alternative. The Soviet position in the negotiations would preserve their present monopoly of these weapons. Under their latest proposal, the Soviets would retain 486 warheads on 162 SS-20's retained in Europe alone, while the United States would have zero missiles. Hundreds of warheads on Soviet SS-20s in the Far East would be completely unconstrained.

The NATO assessment of the current Soviet position in Geneva is reflected in the NATO Defense Ministers' communiqué issued on March 23 following their most recent meeting in Portugal:

"The Soviet proposals have not substantially changed since the beginning of the negotiations. In fact, their most recent proposal would leave the Soviet Union with more SS-20 missiles than they had when the negotiations began, deny NATO the right to modernize its means of deterring this threat, allow them to have an unlimited number of mobile SS-20's east of the Urals which still pose a threat to NATO Europe and almost totally eliminate from the European continent United States aircraft which are indispensable to NATO's conventional defences. The result would be to preserve the Soviet monopoly in the field of land-based LRINF missiles, to erode seriously the linkage between the United States' strategic deterrent and the defense of NATO Europe and to

[22] Source: Office of the Press Secretary to the President. The fact sheet was released to the press at 10 a.m. on March 30, 1983.

further the Soviet long-term aim of dividing the Alliance." [23]

The new U.S. proposal was made after extensive consultations with our NATO allies and discussions with other friends including Japan. It was offered on March 29, at the concluding session of the negotiating round. In presenting this proposal, the United States asked the Soviet Union to give it careful consideration during the recess between rounds and suggested that the delegations resume negotiations several weeks earlier than previously envisaged. The Soviets have agreed to resumption on May 17.

The new U.S. proposal meets the criteria for an agreement laid down by the President:

—equality of rights and limits between the United States and the U.S.S.R.;

—no compensation for third country forces;

—global ceilings;

—no adverse impact on NATO's conventional defense capability; and

—effective measures for verification.

In continued discussions of this proposal, the United States will continue to be as flexible as possible in searching for agreement at Geneva within the criteria identified above.

The United States views the new proposal as an interim step toward the total elimination of U.S. and Soviet land-based, longer-range INF missile systems. If an interim agreement is reached, the United States considers that negotiations should continue with the goal of achieving the total elimination of such systems. While offering this new initiative, the current U.S. proposal to eliminate the entire class of land-based, longer-range INF missiles remains on the table in Geneva. The United States remains convinced that zero missiles on both sides would be the best outcome of these negotiations.

[23] For text of the final communiqué of the NATO Nuclear Planning Group, which met in Vilamoura, Portugal, at the ministerial level, see *NATO Review*, Vol. 31, No. 1, 1983, pp. 32–33.

Document 145

Address by the Assistant Secretary of State for European Affairs (Burt) Before the "Time" Conference on the Atlantic Alliance, Hamburg, April 25, 1983 [24]

Critical Juncture for the Atlantic Alliance

This conference could not be more timely. And the need to view trans-Atlantic developments with care could not be more critical. As a former journalist, I am aware that those outside government have the opportunity to observe the ebb and flow of current affairs with a unique perspective. As a government official, I am also aware that this opportunity is not always seized as often as it might be. It is for this reason that *Time* and the conference organizers deserve our most sincere thanks and appreciation. Indeed, those of us enmeshed in the day-to-day of policymaking are in need of the criticism and vision of people such as yourselves and gatherings such as this. Without the benefit of perspective, we are less likely to shape historical forces than to be shaped by them.

I believe we have arrived at a critical juncture in the annals of the Atlantic alliance. Let me hasten to add that this is not because we are in a deep crisis as some would have us believe. Rather, we are in the midst of what can best be described as a grand debate. It is a debate over the very essence of the Atlantic alliance—its purpose, its shape, its future.

This is hardly the first time the alliance has been in the throes of self-examination and self-criticism. Indeed, the Atlantic alliance was born amidst controversy. The entire notion of peacetime engagement in the affairs of Europe went against the grain of American history. Postwar America was anxious to bring its boys back home and bring about a parochial peace with prosperity.

Nor were the formative years of the alliance easy ones for Europeans. Reconstruction and recovery were foremost in everyone's mind. Arming to prevent yet

[24] Source: *Current Policy* No. 486, April 25, 1983, Bureau of Public Affairs, Department of State.

another war demanded all too scarce resources; forging bonds of trust with recent foes demanded the intellectual courage to look ahead rather than back.

But on both sides of the ocean, the uncommon men of the immediate post-war era made difficult, and sometimes unpopular, decisions. In the United States, two world wars had shown all too clearly the folly of isolationism. It was understood that Jefferson's famous injunction against "entangling alliances" did not have permanent application. In Europe it was understood that the security of the Continent against the emerging Soviet threat required permanent association with a noncontinental power. Out of these twin recognitions the alliance came to life. The initial debate had been decided.

The alliance of the 1950's was an alliance overwhelmingly dominated by the United States. Deterrence depended on U.S. nuclear superiority to offset a Red Army which never demobilized. Decisions were largely reached in Washington and communicated through NATO in Paris. For the most part, we spoke, Europe listened; we led, Europe followed.

By the 1960's it was increasingly evident that such a formula had grown obsolete. Europe was no longer prostrate. Economic recovery had succeeded. The alliance was no longer based on a simple security guarantee but had evolved into a true military coalition with integrated national forces. And Europeans were less and less willing to accept American leadership without question. The conditions for a second great debate had materialized.

Many of the strains accompanying these developments were manifested in the nuclear realm. Then, as today, nuclear politics went to the heart of the alliance. Two principal issues emerged in the nuclear debate of the 1960's. The problem was in part military. The American guarantee was no longer as convincing, given Soviet strides in developing their nuclear arsenal. How could the U.S. strategic deterrent compensate for conventional weakness and deter Soviet strategic forces simultaneously? Equally, the problem was political. Europeans wanted some say in the life-and-death decisions affecting nuclear weapons.

Washington's proposed approach for dealing with these problems—the NATO multilateral nuclear force—only exacerbated these tensions. Fortunately, the ultimate solution had the opposite effect. The doctrine of flexible response, formally adopted by the alliance in 1967,[25] provided for a continuum of forces—conventional, theater nuclear, and strategic nuclear—by which deterrence could be maintained at all levels. And a new institution, the NATO Nuclear Planning Group, was created.[26] Responsibility for nuclear policymaking would henceforth be shared. The basic Atlantic bond was maintained.

But in the best tradition of Hegelian logic, yesterday's synthesis has given way to today's antithesis. There is no little irony in this. In the 1960's, European concerns reflected a perceived lack of U.S. commitment to maintain the American nuclear guarantee; in the 1980's, the most vocal elements in Europe view with alarm American efforts to ensure the credibility of this same nuclear guarantee.

Thus, in 1983, we are once more hearing from many quarters that the alliance is no longer relevant, or viable, or both; that only radical surgery can prolong the patient's life. If I read the signs correctly, a third grand debate is underway. The reasons for this happening now are several.

First, the passage of time has dulled the initial Atlantic impulse; the alliance no longer seems as relevant to the concerns of young people bearing outlooks formed by experiences far from those of the post-war era.

Second, European states and institutions have advanced in capacity, wealth, and independence. Many on both sides of the Atlantic view the alliance as an anachronism, a product of an era of American strength and European weakness which no longer exists.

Third, U.S. and European interests are not always identical or even complementary. We are often economic competitors. We often have differing views of Third World or regional crises. We at times have

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[25] The North Atlantic Council, meeting in Brussels at the ministerial level, December 12-14, 1967, adopted a strategic concept "based upon a flexible and balanced range of appropriate responses, conventional and nuclear, to all levels of aggression or threats of aggression."

[26] The NATO Nuclear Planning Group was established by the North Atlantic Council, meeting in Paris at the ministerial level, December 15-16, 1966.

contrasting assessments of the Soviet Union, the threat it poses, and how best to manage East-West relations.

Fourth, a prolonged period of economic recession has increased competition for budgetary allocations. Providing more for defense and deciding how much each member of the alliance ought to provide are increasingly contentious.

Finally, shifts in the military balance and the emergence of U.S.-Soviet strategic parity, in particular, have raised anew the issue of American reliability. The credibility of the U.S. strategic deterrent is sometimes doubted. The emergence of Soviet superiority at the intermediate nuclear level has raised new questions as to the coupling of the defense of Europe and the U.S. strategic deterrent.

That a great debate over the future of the Atlantic alliance should evolve out of such circumstances is hardly odd; indeed, it would be odd if one were not to take place. Not surprisingly, we are seeing challenges to the basic Atlantic model coming from all parts of the political spectrum. Both sides of the Atlantic are participating. What I should like to do today is make my modest contribution to this debate.

In the United States, it is significant that we are not witnessing a revival of traditional isolationism. Fortress America is not being promoted as a model of American well-being. Perhaps the notion is simply too discredited to hold much attraction; perhaps most have simply come to accept that the United States is too dependent upon, and interdependent with, the rest of the world to pursue this simplistic and dangerous option.

Other challenges to the Atlantic connection exist, however. There is, for example, an American school of thought that has come to be known as "global unilateralism." Adherents of this school begin with an appreciation of the global scope of U.S. interests. They note the broad range of possible threats to the United States. And they would reduce the U.S. commitment to Europe so that we could enhance our flexibility to act everywhere.

This approach is flawed. All interests are not vital; all are not equal. The balance of power in Europe is central to world stability and American involvement in Europe is central to the balance there. Moreover, our range of ties, commercial and cultural, cannot be duplicated or done without. The reality is that there is no cheap way of protecting these interests. Deterrence, to be credible, requires a large U.S. continental commitment; it also requires that we act together as a true coalition.

A second challenge is perhaps better known to you. For want of a better phrase I call it "Atlantic reconstruction." It manifests itself in several places—the Congress and the media most notably—and in several ways by, for example, threatening troop withdrawals or not funding defense programs critical to the defense of Europe.

The roots of this American movement are to be found in the soil of frustration and resentment. There is a growing belief in the United States that Europeans are not doing their share, be it to defend themselves or to defend common interests around the world. Sometimes tied to this view is the belief that Europe's commitment to détente outweighs its commitment to the alliance, that Europe is more concerned with its economic well-being than with Western defense. The reconstructionists want to end this alleged "free ride." They wish to send a signal to Europe to stimulate a larger European defense effort.

As is often the case, neither analysis nor prescription is accurate. That we all need to do more to strengthen deterrence is obvious. And that there is a requirement for equity on defense efforts in a coalition of democratic states is also clear. More must be done, and the Reagan administration has worked hard to increase defense spending on both sides of the Atlantic. At the same time, we have sought to deflate misconceptions about allied contributions to the common defense. There is not enough awareness, for example, that should conflict arise in Europe, 90 percent of NATO's land forces and 75 percent of its sea and air forces would be European.

There are those who argue that we could improve the situation by cutting U.S. efforts. I do not doubt that by doing less in Europe the United States would, indeed, "send a signal." Unfortunately, it would be the wrong signal with the wrong result. In the name of enhancing deterrence and defense, those who would cut back America's contribution could well achieve precisely the opposite. Reducing U.S. strength and raising questions about

the U.S. commitment are hardly self-evident ways of promoting peace and stability.

An even greater debate is taking place on this side of the Atlantic. This is to be expected, given the immediacy of the issues here. Let me address briefly what I see as the principal alternatives being presented.

Neutralism. Three schools of thought appear to dominate. The first would exchange the alliance for neutralism. Some go as far as to see this neutralism embracing all of Europe, West and East. It is argued that a Europe without allegiance to either bloc and without significant military forces would be a safer haven, less likely to be drawn into a confrontation between the two superpowers. Somewhat differently, it is asserted that Europe (and especially Germany) could make its most important contribution to peace by serving as a bridge between the two superpowers, explaining one to the other.

These are romantic visions. With or without its Eastern neighbors, a weak and neutral Western Europe would be under the sway of the strongest continental power, the Soviet Union. What is needed for peace is less a bridge than a bulwark. Our problems with the U.S.S.R. are not caused by a lack of communication, although communication is important. Our problems with the U.S.S.R are caused by a lack of Soviet restraint and respect for the interests and well-being of others.

Armed Independence. Some recognize these realities and, instead, argue for a Western Europe that is strong, independent of the United States, and able to provide fully for its own security. An image of a European military entity is held up, the analogue to European political cooperation and economic integration. In this model, Europe would thus be able to mediate between the two powers from a position of strength—able to deter one without being tied to the other. European interests would prosper, we are told.

I can do no better in describing this school of thought than by quoting Hedly Bull of Oxford University:

> "The course that the Western European countries should now be exploring may be called the Europeanist one. It requires the countries of Western Europe to combine more closely together, increase their defense efforts, and take steps toward reducing their military dependence on America."

Professor Bull's vision, too, suffers from a lack of realism. Europe at present lacks the requisite political basis for constituting such collective management of its security. It is not clear that European states would be willing to make the necessary political commitments and economic investment. And it is not at all certain that the emergence of an independent, armed Europe—with conventional and nuclear forces alike—could occur without crisis or even conflict. Indeed, the security and stability we all know and enjoy now could be jeopardized by such development.

Reconstruction. A third approach is embodied by proposals now coming from opposition parties in northern Europe. In many respects, these ideas are the mirror image of the proposals offered by American reconstructionists. The European reconstructionists have several goals: to lessen the influence of the United States; to reduce the likelihood of nuclear war in Europe; to carry out a more independent policy toward Moscow; and to promote European interests around the world as they see fit. They seek not to leave the alliance so much as to change it from within.

Even such "reformist" policies are not without major difficulties; indeed, they draw upon several of the worst features of the two alternatives just discussed. We should not delude ourselves. Conventional defense needs strengthening. But more robust conventional defense efforts will not make nuclear forces irrelevant or redundant. Soviet conventional and nuclear advantages must be offset, whether by deployments, arms reductions, or both. The bond between forces in Europe and U.S. strategic deterrence, or coupling, must be maintained. At the same time, conventional force improvements will prove costly; a consensus for a major increase in the level of defense effort has yet to emerge. And heightened European independence from the United States has its risks; Europeans cannot choose when they wish to enjoy the fruits of alliance and when they do not. There is room for disagreement and difference within the alliance but not for selective commitment.

Neutralism, armed independence, reconstruction—these are the three basic European alternatives to the current Atlanticist framework for Western security.

Cutting across these approaches are various themes which would also alter the current Atlantic bridge in a decisive manner.

Antinuclearism is one such idea. The aim is to reduce or, if possible, eliminate the presence of nuclear weapons in Europe and with them the risk of nuclear war. The most ardent enthusiasts of this proposition would do so unilaterally in hopes of eliciting parallel Soviet restraint.

But I agree with Harold Brown's observation about U.S.-Soviet arms competition: "When we build, the Soviet Union builds; and when we don't build, the Soviet Union still builds." Moreover, unilateral actions by the West would undermine our best chance for meaningful arms control negotiations. More seriously, unilateral nuclear disarmament would threaten deterrence and heighten the vulnerability of the West, too.

Nor can there be a policy of "no first use" of nuclear weapons. The effect would once again be decoupling and thus erode, not enhance, deterrence. It is the prospect of the use of nuclear weapons and the full weight of American might which helps to keep the peace in Europe.

Wishing away the possibility that nuclear weapons will be used is not enough. Declarations are simply words. Meanwhile, Soviet conventional, chemical, and nuclear capabilities are real and increasing. Were the alliance to adopt a policy of no first use of nuclear weapons, the danger of conventional war—which would be incredibly destructive in our age—would be increased and with it the possibility of nuclear tragedy. More than 50 million people perished in World War II; we cannot adopt policies which would heighten the risk of conventional, not to mention nuclear, war in Europe.

Lastly, there are those who remain within the alliance or Atlantic house but who place all their hopes on arms control. Arms control—whether some version of a nuclear freeze or negotiations more broadly—is held up as the panacea for Europe's dilemma. Only arms control, it is alleged, offers the means to limit the threat, reduce the levels of weapons and the spending on them, and promote renewed détente.

But such hopes cannot live in isolation. Arms control will only prosper if the Soviet Union has incentive to negotiate; what is required to bring this about is a sound military foundation on our part. Nor can arms control be expected to persuade the Soviet leadership to eschew the role of force; Soviet policy at home and abroad depends on it too much. Arms control has the potential to buttress our security and deterrence; it cannot take the place of our collective efforts to do the same.

In more normal times, debates involving competing conceptions of alliance security would be welcomed. Over years or even decades, we would perhaps create a new consensus. But 1983 is not a normal time. To the contrary, 1983 could well turn out to be the most important year in the history of the Atlantic alliance since its inception.

The reason for so stating is clear. To a degree unlike any other year since 1949, the determination and credibility of the alliance are being tested. How we implement the December 1979 decision on intermediate nuclear forces will have a major impact on our future. Those who would apply their abstract or idealized notions of how best to structure the Atlantic relationship to determine the outcome of the INF debate should only do so with a full understanding of what is at stake.

Not surprisingly, this temptation exists. There are those in the United States who wonder why we should go to such lengths to bring about the implementation of the decision. They are unhappy that so many facets of the U.S.-European relationship are held hostage to the INF decision and cite the possibility that deployment of U.S. missiles in Europe could heighten the risk of a direct Soviet nuclear attack on the American homeland.

On this side of the Atlantic, there are those—particularly the new neutralists—who maintain precisely the opposite. They argue that new U.S. weapons based on the Continent would enable us to localize or limit an East-West nuclear exchange to Europe. Others simply argue that the new missiles are not necessary because the Soviet Union has no intention of exploiting its current INF monopoly. Or, in yet another variation, there are those who are prepared to wait indefinitely for arms control to solve the security problem created by SS-20 deployment. In every case, they seek to opt out of implementing the 1979 decision.

The fallacies in each of these approaches are manifest. The United States cannot be secure for long in a world in which Western Europe is not. Americans who would weaken or remove the U.S. nuclear guarantee would jeopardize the prospects for stability and peace everywhere. In the name of reducing risk to themselves, they will have raised it for everyone.

European opponents of deployment are also mistaken. The effect of new U.S. missiles would not be to limit or localize a nuclear exchange in Europe but rather to prevent one. Indeed, it is in part through the threat of escalation and full American involvement that we help to promote stability and deterrence in Europe. Indeed, no better proof for this proposition exists than Defense Minister Ustinov's recent comment that the Soviet Union would respond to a strike by U.S. systems in Europe by directly attacking the United States. If that's not coupling, I don't know what is.

Those who maintain no new deployments are needed, whether owing to Soviet good will or the prospects of arms control, are simply deluding themselves. It is probably true that Western Europe could live with a Soviet preponderance of force; but to expect the Soviets not to exploit any advantage for its own paranoic, political purposes is to ignore every lesson of history. Similarly, the U.S.S.R. cannot be expected to negotiate seriously in the absence of any incentive to do so; deployment, either in promise or in fact, remains our best and only way to get the Soviets to come to the negotiating table in good faith.

In short, the implementation of the INF double-track decision has become the touchstone for Western security in the 1980's. The decision continues to have a sound political and a sound military rationale. It was taken in response to an unprovoked Soviet buildup which continues unabated. It represents continued alliance commitment to a concept of deterrence predicated on the notion that American power tied to Europe is the best way of promoting European stability and peace. The commitment of the Reagan administration and allied governments to pursuing both tracks—arms control and, if need be, deployment—of the 1979 decision is now unshakeable.

My support for decisions taken some 3 1/2 years ago and my criticism of various alternative visions of the alliance should not be interpreted as complacency. The flaws of the various alternatives I have described should not be taken as a complete dismissal of their validity. Nor should it be understood as a complete endorsement of the status quo. If I may modify an old American adage for my purposes here tonight, I would simply advise against fixing the alliance more than it is broken. Or, to shift metaphors, I would simply urge you to beware of cures worse than the disease.

This is not a call for standing pat. Reform is needed. So too is close consultation. We must upgrade not only our nuclear deterrent but also our conventional forces. More must be done to safeguard common interests outside the formal treaty area. We must ensure that our commercial relations with the East are consistent with our political and security requirements. And we must continue to be imaginative and flexible in our search for meaningful arms control agreements.

We must be careful, though, in how we proceed. Europe in the 30 years since the Second World War has been spared armed conflict. We have achieved levels of prosperity and freedom without historical precedent. Too much is at stake to go ahead precipitously or recklessly. The alliance and the basic Atlantic model or structure remain relevant and viable. Only within its contours can we harness the resources of the West in a manner which maximizes effectiveness and minimizes the burden on our free societies and strained economies.

There is a wonderful line from the novel, *The Leopard*, by the Italian author Giuseppe di Lampedusa. "If we want things to stay as they are, things will have to change." To a degree this is true. Indeed, the history of the alliance is a series of adaptations to evolving circumstances. The alliance of 1983 is not the alliance of 1949.

Yet, there must also be limits to our departures. The essentials of the Atlantic model that is the alliance have served us well and should be saved. The alliance can continue to safeguard our interests if we are as wise about what to keep as we are about what to change.

Document 146

Transcript of a Press Conference by the Secretary of Defense (Weinberger), May 4, 1983 (Extracts) [27]

"The British and French Simply Will Not Accept . . . the Inclusion of Their Different Kinds of Systems, Their Strategic Systems in These Negotiations"

. . . . . .

Q. Do you regard the Andropov speech of yesterday [28] as in any sense a Soviet concession on the arms control?

A. Well, I think it's a change and we believe that warheads are certainly one of the better or more effective ways of counting the destructive power of these missiles, and therefore a more appropriate and realistic point to use in the calculations that have to be made. But there certainly is not at any point a basic willingness to make the kinds of reductions that the President has been talking about and there are a lot things left unsaid in the proposal. We don't really know whether there is a willingness to destroy the SS–20's that would be surplus to the amounts he's mentioned.

If they're simply going to move them to some point east of the Urals, that's bad for two reasons. It's very bad for our eastern allies, since they can be rolled back into position in Europe in a matter of hours, it doesn't help that situation. To the extent that it indicates that they're willing to use a more effective and appropriate means of counting, I think there could be said to be a change there, yes.

Q. Progress?

A. Well, I would hope so. If not by itself, I don't think so much as that it perhaps is an indication that maybe something more useful and closer to what the President has proposed might conceivably be forthcoming. The thing that bothers me about it a little bit more is the fact that it again goes back to this point of insisting on counting French and British systems. It is widely known that that has been something that has been totally and completely and I think appropriately refused by the British and French. And therefore, in one sense it could be said simply to be a means of trying to get European public opinion back on the side of no deployment, but at the same time sending forth a proposal that brings the conference to a halt. Because it is widely known that the British and French simply will not accept and should not accept the inclusion of their different kinds of systems, their strategic systems in these negotiations.

Q. Mr. Secretary, whether the British and French accept it or not, can some provisions be made within the context of START and/or INF to take into account those 162 missiles?

A. Not really. I don't think because you're not talking about things that are equally under central direction. The Soviet missiles are all under centralized direction. The French and the British systems are independent systems run by independent sovereign nations and designed for a different purpose. So I wouldn't think that that is going to be a very useful

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[27] Source: *Public Statements of Secretary of Defense Weinberger, 1983.* The press conference took place at the Pentagon beginning at 11 a.m.

[28] Soviet leader Yuri V. Andropov, at a dinner honoring the visit of East German leader Erich Honecker, stated: "We are prepared to reach agreement on the equality of nuclear potentials in Europe both as regards delivery vehicles and warheads with due account, of course, for the corresponding armaments of Britain and France.

"In other words, we stand for the U.S.S.R. to have no more missiles and warheads mounted on them than on the side of NATO in each mutually agreed-upon period. In the event of a reduction of the number of warheads on British and French missiles, the number of warheads on our medium-ranged missiles would be cut by as much. The same approach would be applied also to the aviation systems of this class deployed in Europe. Thereby an approximate equality would be maintained between the U.S.S.R. and NATO both as regards medium-range nuclear-weapon delivery vehicles, that is missiles and aircraft, and by the number of warheads carried by them. More than that, this equality would be on a much lower level than now." (Excerpts, as translated by Soviet press agency Tass, printed in *New York Times*, May 4, 1983, A16)

path to pursue, if we really want arms reduction results.

. . . . . .

Q. On the Andropov proposal, why shouldn't the British and French missiles be considered in the equation?

A. First of all, because they're British and French systems and it's up to the British and French to decide what they want to do with them. We have no authority to include them in any discussions that we're conducting.

Secondly, they are not intermediate systems. They are long-range intercontinental systems. Their presence does not in any sense relate to the subject under discussion which is the SS-20's and weapons of that intermediate range. There is no NATO or Western counter to the SS-20's in place at the moment. The Soviet attempt to include a strategic system is somewhat akin to our saying, oh, and by the way, you have to throw in some of your 18's and 19's into this same negotiation. It isn't the same kind of weapons system at all, and since it is widely known that the British and French have said they would not include any of their systems in these discussions, it represents at least one way in which the discussions can be deadlocked without appearing to have been the fault of the Soviets to have done so and that's what we re concerned with. We think that it is essential that deployment proceed, of the ground-launched cruise missile and the Pershing II's, unless an agreement that does fit the President's proposals and criteria that he's laid down is actually achieved.

Q. But from the Soviet point of view, those are nuclear missiles, whether they're long range or short range or aimed at their country, and—

A. From our point of view and the British point of view so are the Soviet submarines and so are the Soviet longer-range missiles and all the rest. From everybody's point of view a nuclear missile is a nuclear missile. But when you have a negotiation that is considering a specific set of weapons, it doesn't really add to the possibilities of securing an agreement to insist that weapons in other categories be included, particularly weapons of nations that have said they will not be part of this particular discussion with respect to those weapons. So it does have within it the elements of sounding like a pretty good thing, and plausible which is what it's designed to do, I suppose, to help give arguments to people who don't want deployment, but then at the same time to raise conditions which the proposer knows cannot be fulfilled.

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Document 147

Statement by the Secretary of State (Shultz) Before the Council of the Organization for Economic Cooperation and Development, Paris, May 9, 1983 [29]

The Problem of East-West Trade

It is a pleasure to be back at the OECD Council after an absence of ten years. I appreciate this chance to share with you my Government's thinking on the work of today's session.

We meet at a time of hope for the world economy. As Secretary Regan has pointed out, economic recovery is underway. After some very difficult years of recession and hardship in all our countries, the United States is headed in 1983 for a year of unmistakeable and significant growth. We know that American recovery, as in the past, will be an important facet in stimulating recovery throughout the OECD area, and in the developing world. Having wrung inflation out of our system—and if we all maintain the requisite discipline in our national policies—the world could be headed for a long period of sustained, noninflationary expansion.

This trend of recovery has a symbolic as well as an economic significance: It reminds us of the extraordinary resilience of the free political and economic institutions which we all share. For all our temporary setbacks, the free economies have brought about, since 1945, a generation of growth

[29] Source: Department of State Press Release 178, May 9, 1983; printed also in Department of State *Bulletin*, July 1983, pp. 46–48.

and prosperity unprecedented in history. On the other side of this cruelly divided continent, economic problems are structural and systemic. Inefficiencies are built-in; innovation is inhibited; stagnation is endemic; any effective economic reforms would weaken the grip of rigid central political control and are therefore excluded. Our economic difficulties are largely problems of self-discipline, of better management of fiscal and monetary policy; their problems are inherent and fundamental.

Two conclusions follow from this. First, the industrial democracies represented in this organization must remember that they have a precious heritage. And second, it seems to me that we all have a special responsibility to address the problem of East-West economic relations with some care.

It is no accident that the Ministerial Council of last May [30] and the Heads of State and Government at last year's economic summit, [31] agreed that the OECD should keep East-West economic and financial relations under review.

I am happy to say that since then the OECD, and the IEA, have done some valuable research and analysis which enhance our understanding of East-West trade and its implications. We urge these organizations to continue their important work. In a few moments, I will express my thoughts on areas for future exploration. Let me first explain my Government's view of the main issues involved.

If the relationship between East and West were a normal relationship among states, we would not be here discussing this subject. As long as present conditions exist, these relations are not normal and can not be treated as normal--for many reasons, economic as well as political. The issue is not waging "economic warfare" against the Soviet Union which would be futile, but maintaining the health of the international economy in the unique conditions of the East-West relationship, which is essential.

Of course, there are security concerns. We have learned from experience that some economic transactions with the Soviet Union and Eastern Europe can confer strategic benefits, ease constraints on resource allocation or create dependencies. The United States and its allies are examining some of these issues in other forums.

But the concerns we wish to raise at the OECD are, properly, economic concerns. The Secretary-General's note on the subject, which I commend, provides an excellent analysis of the complications which East-West trade introduces into the global economic system. The United States believes that economic relations with the East must, at a minimum, be conducted on sound economic principles so as not to jeopardize either the security or the prosperity of the democratic nations. The OECD has a legitimate and essential role to play in establishing and maintaining such principles. It is appropriate here to pay tribute to the fine study of energy security just completed jointly by the OECD and IEA. I hope we will endorse this study at the meeting.

Any analysis of the problem must begin with an appreciation of the fundamental discontinuity between the world market and the command economies and state trading systems of the East. With some exceptions, East-West trade has traditionally involved the exchange of relatively advanced Western technology for Eastern raw materials and semi-finished goods. The machinery and equipment which we sell them convey more than simply additions to their capital stock; these highly sophisticated products of our technological development contain a part of our intellectual capital which conveys a certain advantage to the East not compensated for by the raw materials and semi-finished goods we receive in return. The East's inability to take full advantage of the capabilities of this equipment only highlights the imbalance.

Thus, there is a basic incompatibility between the Eastern and Western economies. As the Secretary General's note suggests, the main causes of the depressed state of East-West trade are to be found in the structural inefficiencies of Communist central economic planning. For this reason, the degree of complementarity and interdependence that has developed between North and South has not developed and probably cannot develop between East and West. The simple fact is that manufactured goods produced in the East are frequently not competitive in the

[30] The OECD Council met in Paris at the ministerial level, May 10-11, 1982.

[31] Reference is to the Versailles Summit Conference, held in Paris, June 4-6, 1982.

West, and the capacity of the Eastern countries to export additional raw materials is limited.

These facts suggest that East–West trade would remain at a low level if not for subsidies or other forms of political intervention that boosted it to artificially higher levels. By the laws of comparative advantage, this practice—by definition—is inefficient and distorts the proper functioning of a world economy. Thus the more pervasive problem we face today is not political interference restricting East–West trade but political interference maintaining it. If the governments represented in this organization have differing views of the political implications of East–West trade, the fairest—and economically most efficient—compromise would be to agree to let sound economic principles govern.

Sound economic principles also tell us something about the debt problem. The Eastern countries' difficulty in servicing their external debt is aggravated if not caused by their inability to compete in world markets. It is clear in retrospect that more prudence could have been exercised in lending to certain Eastern European countries in the 1970's. Gross hard currency indebtedness of the Soviet Union and Eastern Europe rose from $8 billion in 1971 to $90 billion in 1981—a growth rate of 24 percent per year.

Today, we are all fully conscious of the dangers of such overextension, and it has taught us a lesson: we should apply to our economic relations with the East the same prudent commercial and financial criteria that we would apply to any other business venture. That these risks persist is shown by the hesitancy of the private sector to provide new financing. There are sometimes sound reasons for Western financial support for certain Eastern countries. As a general rule, however, the best course is to recognize that a price is paid whenever such economic activity is stimulated artificially by government in defiance of the judgment of the market.

A third problem in East–West economic relations is the attempt by the state trading countries of the East to use their monopsonistic power to shift the balance of advantage in their favor, such as by playing Western suppliers off against one another to obtain preferential credits, buyback arrangements, or other special advantages. These anticompetitive practices have a great potential to do harm to all our countries. We will have to find ways to deal with this problem without, of course, resorting to anticompetitive practices of our own that would further distort the economic system.

There is much that the OECD can do to help us protect our interests, and our economies, in the face of these challenges posed by trade with the East. Let me make some specific suggestions in this regard.

In the course of the last year, this organization and its committees have done a great deal of useful work in this area. I have already mentioned the excellent report of the joint OECD–IEA study on energy security. And progress has been made toward developing a new consensus on export-credit policies.

The Secretary General's note on the subject of East–West trade and financial relations is a comprehensive and valuable summary of the current state of these relations. Its economic analysis is balanced and objective. It is firmly grounded on the findings of the trade committee. Its conclusions are valid, and they illuminate the need for governments to exercise caution in the conduct of East–West economic policy.

We strongly endorse the Secretary General's conclusions, as well as his proposals for further work to be done by this organization. The OECD has a major role to play in monitoring the patterns and trends in the West's trading and financial relations with the East. Only if governments have this kind of information can we even begin to assess the balance of commercial advantages or to consider what steps could be taken to protect Western interests. For example:

The Eastern countries, facing lagging exports, are attempting to pay for an ever-larger share of their imports by compensation deals and barter arrangements. We all have an interest in having these inefficient practices monitored by the OECD.

I have already mentioned the state trading countries' attempts to play off Western suppliers against each other for special advantage. To safeguard against such manipulation, the United States has suggested that it would be in the common interest of Western nations to exchange information on major projects planned in the East. It need not involve proprietary information on major projects planned in

the East. We believe that the OECD is well situated and well suited to play such a role.

We hope that the OECD will not shrink from the more active role I have described. The OECD's expert staff are a unique resource; they should not be confined to the simple gathering and basic analysis of data. We should strive constantly to broaden the kinds and quantities of information we share with each other on the subject of East–West trade, to enable us to assess the balance of advantages between East and West. We will then be in a position to correct imbalances in that trade and to formulate policies, individually and collectively, that will protect our common interests.

Madam Chairman, [32] as a step in that direction we hope that clear conclusions will emerge from today's discussion and be reflected in our communiqué. We believe that the conclusions suggested by the Secretary-General in his note are a good starting point for our discussion. We also endorse the Secretary-General's proposals for strengthening the organization's work program, which are aimed at improving the quality of our assessments and our policy conclusions.

Madam Chairman, this extraordinary organization of democratic nations embraces many different points of view on the subject of relations with the East. There will not be unanimity here on the security, or the political, or even on all the economic dimensions of the problem. That is not the purpose of this organization. But the same economic realities hold for all of us. We face a common problem, and there are many things we can do together to protect our common interests and our peoples' well-being. Simple prudence requires it. We all know the ancient maxim: Caveat emptor: let the buyer beware. Some sellers should beware also.

In the last analysis, we in this room have much more in common than we have that differs. We share a dedication to economic and political freedom, to the welfare of our people, and to the cause of peace. We have all learned by now that in an interdependent world economy, no one nation can meet its challenges alone. Much can be achieved, on the other hand, through cooperation. The United States is prepared to work together with you here in that spirit.

[32] The chairman, as well as other officers of the OECD Council meeting, is identified in paragraph 4 of the OECD communiqué of May 10, 1983, *infra*.

Document 148

Communiqué Issued by the Council of the Organization for Economic Cooperation and Development at the Ministerial Level, Paris, May 10, 1983 [33]

A Commitment to Noninflationary Growth and International Economic Cooperation

1. At its meeting on 9th–10th May, the Council of the Organisation for Economic Co-operation and Development at Ministerial level agreed on a medium-term approach to sustaining and broadening the economic recovery now under-way. They agreed that increased sustainable non-inflationary growth in the OECD countries now must be aimed at in order to reduce the present very high levels of unemployment.

2. Ministers recognised that the powerful economic linkages among countries and regions imply a collective responsibility to shape policies so as to strengthen the international trading, monetary and financial systems.

3. Accordingly, their governments intend to:

—Take advantage of the room for growth, which is now emerging in an important part of the OECD area, to promote job creation and higher employment.

—Continue to reduce inflation and overcome structural impediments to improved economic performance.

—Make use, individually and collectively, of the favourable conditions provided

[33] Source: OECD Press Release A(83)25, May 10, 1983; printed also in Department of State *Bulletin*, July 1983, pp. 48-52.

by economic recovery to reverse protectionist trends.

—Work to resolve international debt problems in a trade-expansionary way as recovery and adjustment by debtor countries proceed.

—Provide more effective help to the poorer developing countries.

4. The meeting was chaired by Madame Colette Flesch, Vice-President of the Government of Luxembourg, Minister of Foreign Affairs, External Trade and Co-operation, Minister of Economy and Middle Classes. The Vice-Chairmen were Mr. Shintaro Abe, Minister for Foreign Affairs of Japan and Mr. Kurt Furgler, Federal Counsellor and Head of the Swiss Federal Department of Economic Affairs. In addition to reviewing their economic policies, and trade relations among Member countries, Ministers considered the difficult situation of the developing countries and the policies needed if they are to benefit from economic recovery. They discussed the dialogue with the developing countries, in particular preparations for UNCTAD VI.[34] Ministers also reviewed East–West economic relations.

5. Finally, Ministers heard a report by Mr. William F. Birch, Minister of Energy of New Zealand, on the results of the Ministerial Meeting of the Governing Board of the International Energy Agency, held on 8th May, 1982, in Paris. They took note of the study, Energy Requirements and Security, prepared by the Secretariat, and of the discussions on it, and endorsed the conclusions set forth in the Annex to this Communiqué.

THE TRANSITION TO SUSTAINED GROWTH

6. Ministers welcomed the further achievements in reducing inflation. They are very concerned, however, about the high and rising levels of unemployment. It is therefore encouraging that signs of an up-turn have now emerged in several OECD economies. While uncertainties and risks remain, Ministers agreed that prospects for continuing recovery are better than they have been for several years, and that ensuring the transition to sustained non-inflationary growth and higher employment is the central task of policy.

Common Policy Principles

7. Ministers agreed on the following policy principles for all Member countries:

(i) Policies need to be set firmly in a medium-term framework to make clear the steadiness of policy intent. This will, of necessity, call for flexibility in the implementation of policies when circumstances require.

(ii) Pervasive economic linkages mean that the ability of individual countries to achieve domestic policy objectives depends importantly on the policies and performance of others. It is important for the consistency of policies that each Member country take account of the international implications of Member countries' policies taken together.

(iii) The achievement of greater exchange rate stability, which does not imply rigidity, is a major objective and commitment to be pursued. In this context they noted and welcomed the principles set out in the agreement by finance ministers of seven Member countries, announced in Washington on April 29th, 1983.

(iv) Improved economic performance and higher employment require a balanced use of macro-economic and structural policies. Growing room emerges as inflation diminishes and supply-side responsiveness increases. To this end:

—Macro-economic policies should be consistent with medium-term objectives of inflation control and steadier real growth; some countries have found a nominal income framework helpful in this respect.

—Policies to increase the profitability of job-creating productive investment are required.

—Collective bargaining should take account of the need to promote investment and to maximise the scope for higher employment without inflation.

—Positive adjustment policies are necessary to enhance competition and the flexibility of markets, and to improve the allocation of resources.

—Labour market policies are important to alleviate the burden of unemployment, particularly on young people; targeted

[34] The Sixth U.N. Conference on Trade and Development was held in Belgrade, June 6–July 3, 1983.

programmes, including training, can help to deal with the problem of structural unemployment.

—Facilitating stronger social consensus can in many countries play an important role in achieving the necessary balance of policies.

8. While these policy principles are common to all Member countries, Ministers recognised that countries are in diverse situations. Not all countries have been equally successful in establishing the preconditions for better economic performance. Appropriate policies therefore differ in emphasis from one country to another.

National Policies

9. In a number of countries, accounting for about 70 per cent of OECD GNP, inflation is approaching the level of the 1960s. Confidence has strengthened; progress has been made in tackling structural imbalances; and activity, which has been weak, is now starting to recover. Further declines in real interest rates should be aimed at. For such countries, Ministers agreed on the importance of taking advantage of the room that has emerged for increased output and employment; in particular:

—As regards monetary policy, monetary aggregates should allow for output growth which is sustainable over the medium-term, with continued control of inflation, permitting a continued easing of interest rates. Current monetary policies are generally consistent with this approach. Targets for monetary aggregates should not be lowered in response to lower oil prices. Similarly, monetary policy should not accommodate any resurgence of inflationary wage and other income claims.

—Fiscal policy should be consistent with sustained non-inflationary growth, higher investment and higher employment. Structural budget deficits need to be reduced to make room for the investment needed to sustain growth and employment. Where future structural deficits loom large, it is important to act now to ensure that deficits on this scale will not materialise, thus permitting interest rates to ease. Given the strong international transmission of interest rates, such action would promote recovery in the world economy. The reduction of structural deficits should take care not to jeopardise economic recovery, and take account of the cumulative effects of simultaneous action in a large number of countries. Where measures to support activity are considered they should be designed to promote investment.

10. In some other countries, accounting for about 20 per cent of OECD GNP, further progress against inflation is required and structural impediments to better performance are more pronounced. As a result, growing room in the near-term is less. For such countries, Ministers agreed that perseverance with non-accommodating monetary policy is required, and structural budget deficits must be reduced further as part of a consistent medium-term approach. It is also particularly important that further efforts be made to reduce structural impediments.

11. In the remaining Member countries, despite serious efforts, inflation remains very high, while the international recession and chronic structural problems mean high rates of unemployment and underemployment. In such countries, Ministers agreed that limited flexibility of markets, structural imbalances, and difficulties in monetary and fiscal management are central problems, which must be addressed at their core. Improved economic performance remains primarily a task for domestic policies, although sustained recovery and lower interest rates in the OECD area, and an improving trade environment will make this easier.

TRADE, DEBT AND ADJUSTMENT

12. Ministers discussed the powerful linkages between growth, trade and debt which are now at work between creditor and debtor countries. They agreed on the importance of taking these linkages into account as fully as possible in the formulation of their macro-economic, trade and financial policies, and welcomed the work being done in the Organisation to help clarify the issues involved. They also recognised that the world recession had exposed problems of a systemic nature which need to be addressed.

13. Ministers noted that, during a period of severe and persistent economic and social difficulties, the world trading system has essentially been preserved. They recognised, however, that there has been a continuation and even extension of protectionist trade and domestic support measures to shelter weak industries and companies from the full impact of the re-

cession and structural change. Such measures have contributed to slowing down the movement of resources into activities with greater growth and job-creating potential. A return to sustained growth requires more positive adjustment policies, more reliance on market forces and more productive investment.

14. Ministers agreed that, within the framework of their overall economic co-operation, strengthening the open and multilateral trading system is essential to support the recovery and the transition to sustained growth. They therefore agreed that the economic recovery, as it proceeds, provides favourable conditions which Member countries should use, individually and collectively, to reverse protectionist trends and to relax and dismantle progressively trade restrictions and trade distorting domestic measures, particularly those introduced over the recent period of poor growth performance. They invited the Secretary-General to propose appropriate follow-up procedures. At the same time, they agreed that the work programmes now under way in the GATT and OECD to improve the trading system and its functioning should be actively pursued.

15. Ministers welcomed the co-operative efforts being made by the International Monetary Fund, the Bank for International Settlements, the governments of the debtor and creditor countries and the private banks to preserve the effective functioning of the international financial system. They also recognised the determined efforts now being made by many debtor countries to adjust to a less inflationary world.

16. The groundwork has thus been laid for evolving a medium-term approach to resolve debt problems in a trade-expansionary way as the recovery proceeds. The aim should be to maintain the basis for a continued flow of savings through world capital markets to countries where they can be productively used. A first element in such an approach is to maintain normal disciplines between borrowers and lenders. A second is that international lending will best serve the interests of both borrowers and lenders if external finance is used to develop efficient economies capable of, and enabled to, compete in world markets.

17. To this end Ministers agreed on the need for further efforts by both creditor and debtor countries to:

—Sustain a supply of finance to debtor countries, in support of determined domestic adjustment policies, that is sufficient to maintain or restore adequate levels of essential imports.

—Work towards mutually reinforcing action, within the framework of existing international agreements, to establish more predictable and transparent trade regimes, to reduce trade barriers and to pursue more market-conforming domestic structural policies.

Development Co-Operation, Dialogue and UNCTAD VI

18. Ministers welcomed and shared the importance attached to world economic interdependence, dialogue and consensus in declarations by developing countries, most recently at Buenos Aires. They reaffirmed their readiness to work, in a spirit of understanding and co-operation, with the developing countries and other participants at UNCTAD VI next month with the aim of reaching a common understanding of current world economic problems. In particular, they looked forward to discussing the contributions which developed and developing countries can make to further constructive dialogue and co-operation to:

—Ensure that all countries benefit from the economic recovery now getting underway, and that economic and social progress can gain momentum in the developing world.

—Continue to work together on development co-operation policies to tackle the fundamental problems of underdevelopment and poverty.

19. Ministers recognised that the world recession has created acute difficulties, in particular for most of the poorer developing countries. Meeting this challenge will call for difficult and courageous policies on their part. As recovery proceeds, these countries should benefit from increased export demand and higher commodity prices. But Ministers recognised that external support remains of crucial importance to facilitate the resumption of their longer-term development. They therefore agreed to:

—Maintain and, as far as possible, to increase their aid with a view to realising their commitments to the international aid objectives particularly for the poorer developing countries.

—Work together with the competent international institutions to assist poorer developing countries in implementing the difficult policy reforms required for adjustment and resumed development progress.

—Ensure adequate funding from all contributors of the multilateral development institutions, in particular the International Development Association.

20. Ministers agreed on the desirability of diversifying the developing countries' sources of external finance, and in particular fuller use of the potential for direct investment.

21. Ministers stressed the commitment of their governments to pursue development co-operation policies beyond the immediate requirements of economic recovery. They recognised, in particular, the importance of working with developing countries to strengthen and achieve greater stability in their export earnings. They also recognised the importance of technical co-operation, and reaffirmed their commitment to a strong centrally funded system of United Nations technical co-operation.

East–West Economic Relations

22. Following a decision taken by Ministers last year, the Organisation has carried out a thorough economic analysis of the evolution of trade and financial relations with the USSR and other Eastern European countries. Ministers noted that these relations have, with some exceptions, evolved in a less dynamic way than those with more market-oriented economies and not met earlier expectations.

23. This purely economic analysis demonstrates that East–West trade and credit flows should be guided by the indications of the market. In the light of these indications, Governments should exercise financial prudence without granting preferential treatment. Ministers recognised, moreover, that practices connected with the state-trading system of centrally planned economies can create problems which need to be kept under close examination within the Organisation. More generally, they agreed that, in the light of changing circumstances, the Organisation should continue to review East–West economic relations.

ANNEX

Conclusions

1. Ministers assessed world energy requirements and security for the next two decades, bearing in mind the importance of adequate and secure energy supplies to the prospects for sustained economic growth. They noted with satisfaction the progress that had been made since 1973 in reducing dependence on imported oil by increasing energy efficiency and the use of alternative fuels, notably coal, gas and nuclear energy. This progress has contributed to the lowering of oil prices which is now bringing an important and welcome relief to the world economy. Ministers agreed, however, that such relief was likely to be temporary and that there is a risk of a renewed energy constraint on growth later in this decade unless the industrialised countries strengthen their policies to restructure their energy economies. Ministers noted, in this context, that dependence on imported oil, though reduced, remains high in many of their countries and that this remains the major risk to their energy security; that the contributions of coal and nuclear energy are running significantly below earlier expectations; that the prospect of growing imports of gas to help reduce dependence on imported oil could lead to heavy dependence by some countries on single sources of gas supply; and that the outlook for investment in the efficient use of energy and for the development of indigenous energy sources is less than satisfactory. They agreed that some of these problems could be accentuated by the uncertain outlook for oil prices.

2. Since industrialised countries as a whole will, in any event, continue to rely heavily on imported energy, smoothly functioning world energy markets over the long-term will be essential for their economic well-being. Industrialised countries must seek to reduce the risk of disruptions and be prepared to minimise the effects on their economies of any which occur. The balance between energy security and costs will have to be struck under the responsibility and in the circumstances of individual countries, having regard to their international commitments. Each country will, however, continue to develop strong and cost-effective energy policies based on

that combination of market forces and government action which is best suited to its circumstances but including:

—implementing and as necessary strengthening present policies to promote the efficient use of energy and the continuing replacement of oil by other fuels;

—rapid and, where appropriate cooperative, development on an economic basis of indigenous energy resources—fossil fuels, nuclear energy, hydropower and other renewable energies—to the maximum possible extent consistent with environmental and social factors and the need to secure supplies beyond the turn of the century;

—seeking to remove impediments to its trade in energy;

—substantial programmes of research, development and demonstration;

—pricing and fiscal regimes which promote the rational use of energy and the development of indigenous energy resources;

—diversification of sources of energy imports;

—cooperation on a regional basis or as otherwise appropriate to improve the overall flexibility of energy systems and to overcome transit problems;

—effective cooperative measures for dealing with disruptions in energy supplies.

Ministers recognised that energy security and smoother functioning of world energy markets is not a matter for industrialised countries alone. More effective energy policies in the industrialised area should ease the world energy situation and thereby the energy situation of the non-oil developing countries. They emphasised the importance of mutual understanding with energy exporting and importing developing countries to the achievement of these aims. Development of the indigenous energy resources, including new and renewable energy, of the developing countries could in its turn make an important contribution to improving the world energy situation.

Energy Efficiency

3. Ministers recognised the important potential contribution of improved energy efficiency to overall energy security and agreed to give particular attention as appropriate to:

—financial or other measures to stimulate the efficient use of energy and conversion from oil including help to industry and others to overcome the high initial investment costs of certain energy-saving and fuel-switching measures;

—the development of energy conservation services capable of offering a comprehensive package which would include information on rational energy use and oil substitution, provision and installation of equipment, and financial advice tailored to the needs of customers;

—the publication of technical and financial information on the efficient use of energy and of any assessments which governments may make of long-term trends in energy demand, supply and prices;

—demonstration by governments within their own operations of the value of energy efficiency;

—inclusion of energy efficiency as an element in industrial policy;

—energy efficiency in transport and in the building sector through higher voluntary or mandatory standards;

—policies to overcome structural barriers which mute the impact of market signals.

Pricing and Fiscal Regimes

4. Ministers agreed to pay particular attention to:

—removal of those price regulations which discourage the development of indigenous energy or the displacement of oil by other fuels or the efficient use of energy;

—the pricing policies and where it exists regulation of the tariffs of electricity utilities so as not to impede the provision of funds for investment in new generating capacity;

—reviewing energy pricing policy, with the aims that energy prices should be more transparent and more closely reflect market prices or the long-term costs of maintaining supplies, as appropriate;

—the structuring of fiscal regimes for oil and gas production so as to encourage timely development.

Coal and Other Solid Fuels

5. Ministers agreed that to promote on an economic basis further expansion of production, use and trade of coal and, where appropriate, of other solid fuels including lignite and peat:

—their countries should continue to reduce impediments to a major expansion of coal use in electrical power generation and in industry;

—their countries should take steps to provide the infrastructure needed for increased production, transport and marketing of coal;

—coal-exporting countries should facilitate reliable coal exports in times of supply difficulties;

—their countries should promote the development of a flexible and diversified coal trading system, paying particular attention to the need for long-term contracts.

6. Coal use must be environmentally acceptable. Ministers agreed to accelerate co-operative efforts to promote strategies for the clean use of coal, including research, development and demonstration regarding coal use technologies, and to establish effective regulatory frameworks which allow coal users to choose the most economic means to achieve environmental goals. They will assess available and new technologies and review regularly the pace and impact of their introduction.

Nuclear Power

7. To fulfil its important potential for contributing to overall long-term energy security which is the concern of all industrialized countries, nuclear power will have to play a major and increasing role in many countries. Ministers:

—stressed the importance of encouraging stable trade in nuclear equipment, fuel cycle services and nuclear fuel. Export and import regulations must be predictable, and based on the strict respect of current non-proliferation policies;

—agreed that Member countries would maintain reliable standards of nuclear reactor safety and continue to co-operate in various fora on these matters. Procedures for the approval of reactors and nuclear facilities should be as clear and expeditious as possible;

—stressed the importance of international co-operation on spent fuel storage and waste disposal. They appealed to the governments of those countries in a position to do so to stimulate further progress in developing and applying effective and timely methods for managing the back end of the fuel cycle in ways best suited to their national situations and compatible with international agreements. The competent bodies of OECD were requested to work together on periodic consultations on the progress of member governments in the waste disposal programme;

—requested the competent bodies of OECD to identify for prompt examination new possibilities for research and development in advanced technologies that support these conclusions.

Action on these lines will provide the basis for both institutional impediments and public acceptance concerns on nuclear power to be vigorously addressed and allayed wherever possible.

Gas

8. Ministers agreed that gas has an important role to play in reducing dependence on imported oil. They also agreed, however, on the importance of avoiding the development of situations in which imports of gas could weaken rather than strengthen the energy supply security and thus the overall economic stability of Member countries. They noted the potential risks associated with high levels of dependence on single supplier countries. Ministers stressed the importance of expeditious development of indigenous OECD energy resources. They noted that existing contracts are currently insufficient to cover expected gas demand by the mid-1990s, and agreed that in filling this gap steps should be taken to ensure that no one producer is in a position to exercise monopoly power over OECD countries. To obtain the advantages of increased use of gas on an acceptably secure basis, they agreed that:

—their countries would seek to avoid undue dependence on any one source of gas imports and to obtain future gas supplies from secure sources, with emphasis on indigenous OECD sources. Additional

supplies from other sources would be obtained from as diverse sources as possible, taking into account supply structures, the share of gas in energy balances, and the geographical situation of individual countries. In assessing the full costs of gas supply sources, gas companies and, as appropriate, governments will consider security factors;

—their Governments would either encourage gas companies and other undertakings concerned to take or take themselves the necessary and appropriate cost-effective measures suited to each country's situation to strengthen their ability to deal with supply disruptions; these measures could include increased gas storage facilities, contingency demand restraint programmes, improved fuel-switching capabilities accompanied by adequate stocks of oil or other alternative fuels, a more flexible grid structure, greater flexibility of contracts, more surge capacity, measures to accelerate intra-OECD trade on short notice through standby contracts for supplies in a disruption, and interruptible contracts with consumers;

—action should be taken to develop at economic cost indigenous gas resources, particularly in North America and the North Sea, which show promise of alleviating overall or particular pressures on energy imports;

—concerned member governments noting the potential for further development of North American gas resources and noting that part of the Norwegian Troll field may be declared commercial by 1984, would encourage their companies to begin negotiations on deliveries from these sources as soon as possible, with a view to making supplies available at prices competitive with other fuels in the mid-1990s;

—trade barriers and other barriers which could delay development of indigenous gas resources should be avoided or reduced;

—their governments would encourage the companies concerned to undertake feasibility studies, if appropriate in cooperation with member governments, to determine the economic, engineering, technical and financial factors, relevant to possible imports from a variety of non-OECD sources;

—governments within one region where there is scope for effective cooperation should invite gas companies operating in their jurisdictions to address and negotiate on a commercial basis cooperative arrangements to meet a disruption of supplies to any one country or to the region as a whole;

—special attention should be given in the annual country review process in various international organisations to the future pattern of gas supplies, to the progress on the development and implementation of security measures, and to whether gas imports into the OECD from any single source constitute such a proportion of total supplies as to give rise to concern about the timely development of indigenous resources and the vulnerability of supplies, either for an individual Member country or collectively;

—in considering the degree of vulnerability, relevant factors include the share of imports in total gas consumption and in total primary energy requirements, the reliability of particular sources, the flexibility of other supplies, sectoral distribution, stocks and fuel-switching possibilities;

—an in-depth exchange of views about this question would take place within the normal review process whenever considered necessary. To allow a full assessment of its energy situation, the country concerned shall inform the other member states if it plans major changes in its energy policy or gas supply pattern which are significant in the context of development of indigenous OECD resources and vulnerability of gas supplies.

Ministers expressed the view that special attention should be given in relevant international organisations to the gas import situation of individual countries and regions.

Oil

9. Ministers noted that since 1974, considerable progress has been made in improving energy security as far as oil is concerned. A continuation of these efforts will be necessary, however, as oil will remain by far the most important factor in OECD energy imports. Thus, in the year 2000 oil will still constitute more than 75% of all OECD energy imports. Ministers therefore agreed on the importance of strong cooperative arrangements for handling a major oil supply disruption and, in the case of IEA Ministers, on the need for continued improvement of the

existing emergency allocation system, and the need to continue to encourage oil companies to support the improvement and, if necessary, the operation of the system. To strengthen their overall emergency preparedness, Ministers also agreed to continue to pay particular attention to the continued adequacy of their countries' oil stocks in terms of amount, structure and flexibility.

Other Energy Resources

10. Ministers reaffirmed their readiness to pursue policies both at the national and international level, aiming at exploitation of other indigenous energy resources such as hitherto unharnessed hydropower.

Document 149

Transcript of a Press Briefing by the Secretary of Defense (Weinberger), Hamburg, May 30, 1983 (Extracts) [85]

The Need To Maintain NATO Defenses

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[Q.] Mr. Secretary, later this week you will be going to the FRG, to the NATO meeting in Brussels and then on to Norway. If you were asked to describe the situation along the central front of the alliance, what would your answer be?

[A.] NATO is strong; but the Soviets are far ahead—very far ahead—in the number of tanks, in troop strength and in the state of their readiness. As for us, we have reserves; matériel that can be readied; reinforcements that are planned. Still, the military situation as it is—particularly in view of the growing reinforcement of the Soviet capability and the very large number of SS–20 they have already deployed—that situation does not permit us to rest. We must get stronger, if we want to maintain deterrence.

[Q.] FRG Defense Minister Woerner recently had a statement released to *Die Welt* in which he said he would have to point out to you what "the limits of his (financial) capabilities" are. Given the budget problems in the NATO countries, will you continue to insist on the old concept of 3 percent real growth in defense expenditures?

[A.] The agreement was based on recommendations by NATO military leaders who felt that the alliance required a minimum growth rate in real terms of 3 percent over a number of years in order to maintain deterrence. As for me personally, I never thought that this three percent was all that was needed and then one could just stop. You can divide up three percent in a variety of ways—by raising salaries and military pay, for instance. But the real issue are the military requirements. If one translates that figure into greater efficiency, then three percent would be about right.

. . . . . .

[Q.] NATO is increasingly confronted with the issue of possible conflicts outside its own territory. In this connection there has been talk of an 80,000-man force of reservists which the FRG is to hold in readiness in case the United States would have to withdraw personnel from Europe on short notice and deploy them outside the NATO area. Is there anything to this?

[A.] We are not thinking in terms of specific numbers because we obviously cannot predict what sort of an emergency might arise. The important thing is for NATO to think about these things and to make preparations outside the NATO area. There are two reasons for this. First, specific problems that might affect a member country might force that country to reduce its NATO presence. The best example of this was the Falklands crisis. It showed how important it is to have plans in readiness to fill gaps such as opened up when the British withdrew some of their forces for use in the Falklands. We did not have any such plans at the time; but we should have had them. Secondly, it could be that NATO could be defended more effectively in areas that lie outside the NATO area as such. One of the ways and means in which the alliance is defended—and I am mentioning only one instance here as an example—is in maintaining un-

[85] Source: *Public Statements of Secretary of Defense Weinberger, 1983*. All brackets are in the source text.

restricted access to the raw material resources of the Near East. It is very much to the advantage of NATO to think in terms of out-of-area missions which safeguard the operation of the defense alliance in Europe. Now, no one, I hope, will try to describe this in such a way as if America were looking for an adventure in the Near East and would therefore have to cut down on its troop presence in Europe. No, that might possibly be the most important theater of action where NATO would have to be defended.

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Document 150

Communiqué Issued by the North Atlantic Council at the Ministerial Level, Paris, June 10, 1983 [36]

Maintenance of Peace Through a Stable Military Balance

The North Atlantic Council met in Ministerial Session in Paris on 9th and 10th June, 1983. Ministers reaffirmed that their supreme objective is the maintenance of peace in freedom. A stable military balance is essential to this objective.

The countries of the Alliance are determined to ensure through negotiations that this balance will be established at the lowest possible level. They are equally determined to assure their security and their independence. They will defend the liberty and the justice on which their democracies are founded.

They have put forward a broad set of arms control and disarmament initiatives on:

strategic arms reductions (START)

intermediate range nuclear forces (INF)

Mutual and Balanced Force Reductions (MBFR)

a Conference on Confidence- and Security-Building Measures and Disarmament in Europe (CDE)

a total ban on chemical weapons.

They call up the Soviet Union to demonstrate by its deeds an equal resolution to achieve concrete results in these negotiations.

As regards intermediate range nuclear forces, the Ministers affirmed the importance of the double-track decision taken on 12th December, 1979, by the countries concerned. They hope that, in the near future, a verifiable agreement providing for United States and Soviet equality can be reached in Geneva. If concrete results through negotiations cannot be reached, deployments as planned will begin as already decided in December 1979. [37]

1. Recognising that the cohesion and strength of the Alliance is of paramount importance for the preservation of peace and improved international relations, Ministers agreed as follows:

The Programme for Peace in Freedom adopted in the Bonn Summit Declaration of 10th June, 1982, [38] emphasises the Alliance's resolve to deter aggression by means of a strong defence and to develop through co-operation and dialogue, a constructive East-West relationship aimed at genuine détente. This balanced policy will continue to serve peace and uphold the independence and democratic values of the free peoples of the Alliance.

The Alliance remains a fundamental forum for close and regular consultation on matters of common concern and permits member states to adjust their aims and interests through free exchanges of views.

The maintenance of adequate defences by the Allied countries threatens no one. In Article 1 of the North Atlantic Treaty the members of the Alliance reaffirmed the undertaking to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations. This

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[36] Source: Department of State Press Release 212, June 14, 1983; printed also in Department of State *Bulletin*, August 1983, pp. 43–45.

[37] Greece reserves its position on this paragraph. [Footnote in the source text.]

[38] For text of the declaration of the heads of government participating at the NAC meeting in Bonn, June 10, 1982, see *American Foreign Policy: Current Documents, 1982*, pp. 486–487.

solemn obligation was restated in the Helsinki Final Act[39] signed by thirty-five countries and will always be fully honoured by the members of the Alliance. Each and every sovereign member of the Alliance is a guarantor that none of their weapons will be used except in response to attack.

2. The Allies view with concern the sustained increase in Soviet military strength in Europe and capability for military action world-wide, which far exceed defence needs. The Soviet Union maintains its build-up of conventional arms, chemical weapons, naval forces, nuclear forces, and in particular the deployment of SS-20 intermediate range nuclear missiles. Faced with this threatening situation, the Allies are resolved to ensure that conditions never exist which could tempt the Soviet Union to exploit its military power against any of the Allies. They are determined to meet the legitimate security requirements for the entire North Atlantic Treaty area. A sufficient level of both conventional and nuclear forces remains necessary for the credibility of deterrence. The security and sovereignty of the European members of the Alliance remain guaranteed by their own defences, by the presence of North American forces on European territory and by the United States strategic nuclear commitment to Europe. The United States and Canada likewise depend for their own security upon the contribution of the European partners to the defence of the Alliance.

3. The Allies have reviewed the trends of Soviet policies which bear upon Western interests. They are resolved to maintain a firm, realistic and constructive attitude and agree that it is important to maintain a dialogue, not least in periods of tension.

The Allies stress that respect for the obligation not to use force is mandatory and applicable between all states without exception. The reaffirmation of this obligation, contained in the United Nations Charter and the Helsinki Final Act, cannot substitute for deeds. The Allies therefore call on the Soviet Union for a complete end to the use of force in Afghanistan and the threat of use of force, as in the case of Poland. The exercise of restraint and responsibility by the Soviet Union is essential for the constructive relations which the Allies wish to establish with it. Such relations with the Soviet Union are possible on the full range of East–West issues.

The Allies look to the Soviet Union to contribute to the achievement of tangible results in the negotiations on arms control, disarmament and confidence-building measures, since this would enhance the credibility of the principle of non-use of force. They would welcome any serious proposals to improve confidence and co-operation between East and West.

4. The Allies deplore the continuing violation by the Polish authorities of the commitments undertaken by Poland in the Helsinki Final Act. They look to those authorities to honour the wish of the Polish people for national reconciliation, the release of political prisoners and the establishment of civil rights, including the right of the workers to have trade unions of their own choice. This would enhance Poland to overcome its crisis. More normal trade and economic co-operation with Poland, for which the Allies wish, could be effective if progress were made towards national reconciliation without which there can be no genuine economic and social recovery. The Allies urge the Soviet Union to cease its pressure on Poland so as not to impede the efforts of the Polish people for national renewal and reform.

5. The Soviet Union's actions in Afghanistan also pose a major obstacle to the normal development of international relations. Intensified Soviet aggression there continues to meet with the determined resistance of the Afghan people. The mounting toll of civilian casualties and destruction emphasises the urgency of a political solution based on the verifiable application of the resolutions of the United Nations General Assembly which called for the immediate withdrawal of Soviet forces, the restoration of Afghanistan's independence, sovereignty and non-aligned status, the right of the Afghan people to self-determination, and the voluntary return of refugees.

6. Defence and arms control are integral parts of the security policy of the Alliance. In pursuit of this policy the Allies have submitted a comprehensive series of proposals designed to lead to equitable, verifiable and militarily significant agreements for major reductions to a stable balance of forces at the lowest possible levels.

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[39] Reference is to the Final Act of the Conference on Security and Cooperation in Europe, signed in Helsinki, August 1, 1975.

7. In this spirit, the Allies concerned underline the continued importance of the decision of 12th December, 1979, which combined the modernization of United States longer range INF (LRINF) with a parallel offer of negotiations and the unilateral withdrawal from Europe of a thousand United States nuclear warheads; which was completed in 1980. Since that decision was taken, the Soviet Union has relentlessly continued its deployment of modern SS-20 missiles, greatly expanding its monopoly in this class of weapons which has created an entirely new threat for Europe. Ignoring the concerns of countries threatened by these systems, the Soviet Union is, at the same time, resisting achievement of an equitable negotiated solution. The Soviet approach would undermine the vital link between the defence of Europe and the American strategic deterrent. Present Soviet proposals would include third country national deterrent forces which have no place in the negotiations and leave the Soviets with more SS-20 missiles than when the negotiations began, deny the right to modernise the deterrent to this threat, leave unrestrained large Soviet SS-20 forces in the Eastern USSR which threaten Europe as well as Asia, and remove from Europe aircraft of the United States which are essential to conventional defence.

The Allies concerned reaffirm that in the absence of concrete negotiating results which obviate deployments, deployments will begin at the end of 1983, in accordance with the schedule established in the decision of 1979. At the same time these Allies remain fully committed to reaching a successful outcome in the INF negotiations, which they continue to monitor and evaluate closely. They will support continued negotiations even after initial deployments. These Allies will examine NATO's LRINF requirements when concrete results are achieved in the negotiations, and will make appropriate adjustments in the levels of deployments already decided in 1979. They fully support the efforts of the United States, in close consultation with them, to achieve progress in Geneva. These Allies strongly prefer the elimination of all United States and Soviet LRINF missiles, as proposed by the United States. They welcome and support as a further effort to achieve progress toward that end the United States proposal for an interim agreement which would result in equal global ceilings on warheads on United States and Soviet land-based LRINF missile systems at the lowest possible level. This proposal which establishes a flexible framework for negotiations was developed through close consultation among the Allies concerned. They call on the Soviet Union to contribute constructively to a successful outcome of the negotiations which addresses the legitimate security concerns of both sides and welcome current United States efforts to that end. They strongly hope a balanced agreement will be rapidly reached. [40]

8. Allies expressed their full support for the effort of the United States to negotiate reductions in United States and Soviet strategic arms, and to secure an agreement which will enhance strategic stability. They welcome new steps being taken by the United States to promote progress in the START negotiations, and called upon the Soviet Union to respond in a similarly positive spirit.

9. The Allies participating in the Mutual and Balanced Force Reductions (MBFR) talks attach great importance to achieving progress. They consider that the comprehensive approach embodied in their draft Treaty text of July 1982 provides the basis of an accord which would lead to parity at the agreed collective ceilings for combined ground and air force manpower in Central Europe through substantial staged reductions. This major initiative met what had been represented by the East as a fundamental requirement.' It also proposed a well defined and practical programme for implementing an agreement with the East. Western participants hope that the East will respond in a more constructive way and recognise that, in order to contribute to stability and security in Europe, an MBFR agreement must provide for reductions and limitations based on agreed data and for effective Associated Measures on verification and confidence-building.

10. In the committee on Disarmament the Allies seek disarmament measures which are balanced, realistic and verifiable, and which would maintain or enhance global security. In particular, they are working for an agreement on the prohibition of the development, production and stockpiling of chemical weapons and on the destruction of all existing stocks as well as the means of production. The Allies call upon the Soviet Union to co-

[40] Greece reserves its position on paragraph 7. [Footnote in the source text.]

operate in developing effective inspection and verification measures leading to agreements for the elimination of this entire category of weapons.

The Allies remain gravely concerned about strong evidence of continued use of chemical weapons in South East Asia and Afghanistan in violation of international law and of Soviet involvement in the use of such weapons. [41] They welcome procedures being developed by the United Nations to investigate allegations of the use of chemical weapons.

11. The Allies are continuing their efforts at the Madrid CSCE Follow-up meeting to arrive at a substantial and balanced concluding document, including a precise negotiating mandate for the Conference on Confidence and Security Building Measures and Disarmament in Europe. They consider that, as a result of the latest proposal by the neutral and non-aligned states, an agreement is now within reach which could permit a successful and early conclusion.

The Allies have already stated their willingness to accept the draft concluding document submitted by the neutral and non-aligned states, subject to limited and reasonable amendments favourably received by other participants and designed to enhance the balance of the agreement. The Allies therefore urge the Soviet Union to change its attitude and negotiate a solution of the few remaining issues. This would demonstrate that the Soviet Union shares the interest shown by other participating countries in a successful outcome to the Madrid meeting which will consolidate the CSCE process. The Allies are convinced that a substantial and balanced concluding document, together with renewed efforts to give full effect to the Final Act through concrete action, would be of particular importance for developing a more constructive East–West relationship.

The Allies emphasise the importance, in the present circumstances, not only of a reaffirmation of the 1975 Helsinki commitments as a whole, but also of an expression of the determination of the thirty-five signatory states to carry them out. They reaffirm, too, the importance they attach to the convening of a Conference which, as an integral part of the CSCE process, would have as its purpose the adoption of verifiable, militarily significant and binding provisions applicable to the whole of Europe. The Allies also remain committed to further progress in the important humanitarian aspects of East–West relations.

12. The Allies support confidence-building measures designed to promote greater openness about armed forces and military activities, overcome misapprehension and distrust and thus facilitate disarmament negotiations. The Allies recall that in 1982 the United Nations General Assembly reaffirmed the importance of confidence-building measures and invited all states to consider the introduction of such measures in their region. The Allies have taken a number of concrete initiatives in that direction. Proposals put forward by the Soviet Union, in contrast, are often declaratory. The United States government, in an effort to help develop a stable peace, has tabled a series of confidence-building measures in the START and INF negotiations and has suggested new proposals in the nuclear field and in mutual communications between the United States and the Soviet Union. The Allies will, in the context of the Conference on Disarmament in Europe, put forward concrete proposals for a new generation of confidence and security building measures in Europe. The Allies will continue their efforts to build confidence through improved verification procedures, the provision of clear and comparable data on defence spending and other steps likely to remove misconceptions. They urge the Soviet Union to join them in this endeavour.

13. The maintenance of a calm situation in and around Berlin and the strict observance and full implementation of the Quadripartite Agreement of 3rd September, 1971, including unimpeded traffic on the access routes, remain of fundamental importance for East–West relations.

Recalling their Rome statement of 5th May, 1981, [42] the Allies express the hope that the efforts of the Federal Republic of Germany towards further practical progress in inner-German relations and

[41] Greece recalls its position as it has been expressed during the previous Ministerial Session. [Footnote in the source text.]

[42] For text of the communiqué issued by the North Atlantic Council meeting at the ministerial level in Rome, May 4–5, 1981, see *American Foreign Policy: Current Documents, 1981*, pp. 438–441.

towards improvements for travel in both directions will bring direct benefits for Berlin and the German people in both states.

14. The Allies reiterate their abhorrence and condemnation of recurring terrorist acts which menace democratic institutions as well as the conduct of international relations. The Allies reaffirm their determination to pursue all necessary efforts to combat and suppress crimes of terrorism.

15. The Ministers note that since their last meeting several aspects of East-West economic relations have been studied including the security implications of these relations. Trade conducted on the basis of commercially sound terms and mutual advantage, that avoids preferential treatment of the Soviet Union, contributes to constructive East-West relations. At the same time, bilateral economic relations with the Soviet Union and the countries of Eastern Europe must remain consistent with broad Allied security concerns. These include avoiding dependence on the Soviet Union, or contributing to Soviet military capabilities. Thus, development of Western energy resources should be encouraged. In order to avoid further use by the Soviet Union of some forms of trade to enhance its military strength, the Allies will remain vigilant in their continuing review of the security aspects of East-West economic relations. This work will assist Allied governments in the conduct of their policies in this field. [43]

16. Sustained economic recovery in the West is essential since the strength and security of the member countries rest upon social stability and progress as well as upon defence preparedness. In accordance with Article 2 of the North Atlantic Treaty the Allies will seek to eliminate conflict in their international economic policies and will encourage economic collaboration among them. The Allies reaffirm the importance of this commitment and of support from programmes which are intended to benefit the economies of less favoured partners.

17. The Allies will continue to work for the further development of peaceful and friendly international relations and will promote conditions of stability and well-being. The aid which they give bilaterally and multilaterally is an important contribution to this end. Countries in the Third World should have the freedom to develop politically, economically and socially without outside interference. The Allies urge respect for sovereignty and genuine non-alignment.

The Allies recognise that events outside the Treaty area may affect their common interests as members of the Alliance. If it is established that their common interests are involved, they will engage in timely consultations. Sufficient military capabilities must be assured in the Treaty area to maintain an adequate defence posture. Individual member governments who are in a position to do so will endeavour to support, at their request, sovereign nations whose security and independence are threatened. Those Allies in a position to facilitate the deployment of forces outside the Treaty area may do so on the basis of national decision.

The Spanish Minister of Foreign Affairs informed the North Atlantic Council of the present state of the review that the Spanish Government has undertaken regarding its participation in the Alliance, pending which he reserved his Government's position on the present Communiqué.

At the same time, however, the Spanish Minister expressed that his Government shares in the Communiqué in so far as it reflects positions already expressed by Spain in her relations with the member countries of the Alliance.

The Danish Minister of Foreign Affairs repeated Danish Government support for the double-track decision but at the same time he presented to his colleagues the motion passed by the Folketing on 26th May.

[43] Greece recalled its position on various aspects of this paragraph. [Footnote in the source text.]

Document 151

Transcript of a Press Briefing by the Secretary of State (Shultz), June 10, 1983 (Extract) [44]

Assessment of the NATO Ministerial Meeting

. . . . . .

Q. Sir, how would you characterize the results of this meeting from the U.S. point of view?

SECRETARY SHULTZ. I think we have had a series of meetings, as I've said, and the OECD meeting got this process off to a very good start. The Williamsburg summit, I think was outstanding. And from all I can judge, the NATO Defense Ministers meeting was very strong and this one was. We have been saying to ourselves for a long time, I know when I came back from Europe in December 1979, or December whenever it was 1982.

Q. Seems like such a long time.

SECRETARY SHULTZ. It seems like it, yes. I felt very strongly, and said that 1983 is a real big year. And from an economic standpoint, arms control standpoint, deployment standpoint, a lot of things, so we really have to concentrate and be sure things go well.

And I think they are. I think we have demonstrated time and again the strength of the alliance. The whole thing, of course, is helped a lot in the sense that expansion is taking place in the economy. So I think a long way round about answering your question is it was a good meeting and part of a pattern. No, it was right on the line. I suppose if anything coming over here, as I think I mentioned, we had to be careful having had these three meetings, that you don't sort of have a sense of anticlimax. I think somebody here asked about that or maybe it was in that session in Paris, and that is a problem. But I think it carried itself on through, it was very good.

Q. Mr. Secretary, one of the major issues that has been the highlight of this meeting is the INF question. Can you give us your assessment now of the prospects for agreement? I know you have said it is up to the Russians. But is an agreement possible this year? And if one isn't reached when do those deployments start? Can you give us a little more specificity there?

SECRETARY SHULTZ. As far as the deployments are concerned, there is a schedule and a plan. And it involves obviously preparatory work which is going on as you get sights [*sites*] ready and all of that. And then a schedule of deployment, I can't call off [*recall*] the precise dates, come toward the end of the year. But that's all scheduled and there has been a very clear determination all along that we are going to hold to that schedule. So there is no ambiguity about that whatever.

Of course an arms control agreement is possible. Whether it is likely or will happen, I think depends primarily on whether the Soviet Union wants to come and talk about in terms of, at least our standpoint, are reasonable [*sic*].

Q. To what extent do you think the reservations that the Greeks and the Danes expressed again at this meeting, does that in effect take a bit of the glow off the meeting, or does it in a way tarnish the work that has been done?

SECRETARY SHULTZ. Well, the Greeks have a habit of reserving on things and that has become sort of a standard thing. So, it is something that always happens and it is kind of interesting that Haralambopoulos, who I don't know whether you know him or interviewed him or anything. He's quite a delightful person. He's fun. And he has lots to say and he always makes these speeches about—well here is this paragraph and I'm reserving it because I don't agree with all the essential points but there is this or there is that and so on and I think by this time people have accommodated themselves to it and can go along.

The Danish reservation is a problem and that vote is a problem. At the same time the Danish Government itself does not share the view expressed in that vote. And they've been very clear about that. I hope that as time goes on the Danish situation will mend itself. But certainly that is not something that we are looking for.

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[44] Source: Department of State files. The briefing took place en route from Paris to Shannon Airport, Ireland. For another portion of this briefing, see document 185.

Q. There seems to be a very conscious effort to put the onus on the Soviet Union on arms control. In your statements in the report that was issued in the SCG statement and so forth, I wonder do you think that you are having any success in getting that message across to the West European public and to the American public that indeed the Russians are to blame for the fact that there hasn't been any agreement?

SECRETARY SHULTZ. Well, I think that we need to keep saying what it is true. I don't know how to come up with a measure of what you say or your question, but I suppose the best measures are elections. And the candidates that stood up to these issues very strongly won decisively. So I think that is probably the best answer you can get of where the political thrust is.

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Document 152

Address by the Under Secretary of State for Economic Affairs (Wallis) Before the American Society of Business Press Editors, Chicago, June 20, 1983 [45]

A Collective Approach to East-West Economic Relations

My talk this morning is concerned with the effort that the United States and its Japanese, Canadian, and European partners are making to fashion a collective approach to their economic relations with the Soviet Union. As you know, this is a particularly difficult undertaking. The problems lie in the nature of the Soviet system, in the events of the last dozen or so years, and in various economic and geographic differences among the United States and its partners. Nevertheless, the undertaking is succeeding with important concrete and durable results to show for our common efforts.

I will describe some of these results in a few moments, but first I will review briefly how we got where we are and why this process is such a difficult, but at the same time important, undertaking.

In mid-1983, it is difficult to recall how warm, even euphoric, the atmosphere of East-West relations was in 1972, the heyday of détente. The Soviet Union and the United States had just signed a strategic arms limitation agreement, perceived at the time as an important milestone in limiting arms expenditures and as the prime indicator of relaxation in Soviet-American relations. President Nixon and Premier Brezhnev exchanged visits and signed numerous agreements. Allies on both sides joined in to create a widespread spirit of East-West détente.

Economic relations, naturally, played a major part in the new atmosphere. The West liberalized its credit terms, and the Soviets took advantage of this liberalization to increase their purchases of Western grain and of technology and equipment that they could make only with difficulty or not at all. Truck assembly lines, entire chemical plants and innumerable pieces of capital equipment were purchased by the Soviets. Both sides experienced economic and political benefits from the increased level of trade.

The theory underlying détente was that a web of economic, scientific, cultural, and political relationships would so interlink Soviet and Western societies that their views on security and other core issues would tend to converge. It was believed that the tangible benefits flowing from economic and other interchanges would encourage Soviet restraint in foreign policy.

In forging economic links with the Soviets, the United States was as eager as any nation to increase the level of its commerce. From 1972 to 1975, U.S. trade with the Eastern bloc nearly tripled. The Pullman Corporation helped the Soviets to set up production lines at the Kama River truck plant, and the Bryant Manufacturing Company sold the Soviets equipment that allowed it to make miniature ball bearings of extreme precision.

We all know how the hopeful views of East-West relations spawned early in the decade soured at the end of the decade, especially after 1979. Détente, with its web of relationships and incontestible economic benefits to Soviet society, was no barrier at all when Soviet decisionmakers saw

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[45] Source: Department of State *Bulletin*, August 1983, pp. 31–33.

opportunities to advance their strategic position through overseas adventurism or outright military aggression. Anyone who had illusions that fundamental Soviet views had changed during détente was quickly disabused of those notions.

It is a familiar litany to describe how the Soviets, in the late 1970s and after, failed to live up to the hopes of a decade earlier. Their sponsorship of Cuban adventures in Africa, their continuing activities in Indochina, their invasion of Afghanistan, their crackdown in Poland, and their involvement in Central America were visible indications that their fundamental values and policies had not been changed at all by a more lenient, friendly, and cooperative attitude on the part of the West. Underlying these aggressive acts, of course, was the massive and unrelenting Soviet military buildup that went far beyond any reasonable notion of what would be needed to defend the U.S.S.R. Even in the area of strategic arms, supposedly restrained by the SALT agreement, the Soviets continued the most massive buildup in all history.

As the Soviets demonstrated that their fundamental values and policies had not changed, Western governments began to reevaluate their economic, political, and security relationships with the East. Attitudes changed quickly in the United States. A pivotal point was our refusal in 1979 to ratify the SALT II Treaty. That has been followed by strenuous efforts to increase our defenses against the Soviet threat. Our allies and partners also concluded, in the various and wondrous ways by which democratic nations reach decisions, that the relaxed policies of a decade earlier were no longer appropriate—perhaps never had been. Soviet behavior made it obviously dangerous to conduct economic relations with the Soviets in ways that underwrite and enhance military capabilities. The danger was underscored by direct use by the Soviets of equipment from the West to manufacture items for their military. The ship that had embarked so hopefully upon the seas of détente obviously had to come about and chart a new course.

In the economic area, it was hardly a surprise that U.S. attitudes changed more rapidly than those of our European and Japanese partners. European and Japanese trade with the East has always been much more extensive than that of the United States, even before the Russian revolution of 1917. There is a natural complementarity of trade between Eastern raw materials and Western manufactured goods. This factor, combined with geographic proximity, means that East–West trade is much more important to Europeans and Japanese than to Americans.

As Western views changed, differences in the pace with which individual governments reevaluated their positions on East–West economic relations created noticeable tensions within the alliance. Such tensions are, of course, a fact of life in relations among democratic states. It is the job of statesmen to resolve the differences and preserve the fundamental community of values among their respective nations.

It is interesting to trace this change in attitudes, to see how difficult it can be to change course on a major policy question. In announcing his candidacy for president, Ronald Reagan said:

> "On the foreign front, the decade of the 1980s will place severe pressures upon the United States and its allies. We can expect to be tested in ways calculated to try our patience, to confound our resolve, and to erode our belief in ourselves.
>
> "For the most of the last 40 years, we have been preoccupied with the global struggle—the competition with the Soviet Union and with our responsibilities to our allies. But too often in recent times we have just drifted along with events, responding as if we thought of ourselves as a nation in decline.
>
> "It is now time to take stock of our own house and to resupply its strength."

Our process started within the government with a thorough analysis of East–West economic relations, and the work with the allies began in earnest at the Ottawa economic summit in July 1981. The leaders at Ottawa made a significant statement about East–West relations:

> "We concluded that consultations and, where appropriate, coordination are necessary to ensure that, in the field of East–West relations, our economic policies continue to be compatible with our political and security objectives." [46]

[46] See footnote 11 above.

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During the following year, leading up to the summit at Versailles, we worked with our summit partners on a number of specific issues—principally on the problem of European vulnerability to disruption of Soviet gas exports. At Versailles, the leaders again adopted a statement on East-West economic issues, but it was clear that the analyses of the issues by the leaders were different enough to create problems in interpretation and implementation.

Last summer, when Secretary Shultz entered office, he was asked by the President to listen carefully to what our allies and friends were saying. George Shultz is an able and experienced negotiator who appreciates the value of listening. As he listened, he recognized two fundamental facts. First, that there was enough convergence in the views that he heard to give a good chance of reaching agreement on a collective approach to East-West economic relations and, second, that a collective approach would be much more effective than a unilateral approach.

On Secretary Shultz's recommendation, President Reagan last November lifted the restrictions imposed 5 months earlier on the sale of oil and gas equipment to the Soviet Union. In taking this action, the President emphasized that the United States and its European, Japanese, and Canadian partners had agreed to undertake a series of analyses of East-West economic relations designed to provide a framework for a collective approach to these relations. The analyses were undertaken immediately in a variety of locations. It is the results of those analyses that are the core of my message today.

In the Organization for Economic Cooperation and Development, East-West financial relations and credit terms were examined. Special attention was given to problems stemming from Eastern nations' centralized control of trade. A continuous review of a broad spectrum of problems in East-West economic relations was started.

The International Energy Agency analyzed the dangers created by undue energy dependence, and it considered alternative sources of energy.

The North Atlantic Treaty Organization examined the overall security implications of East-West economic relations.

The Coordinating Committee for Multilateral Security Export Controls (COCOM) studied ways of improving surveillance and control over Western exports that have strategic or military implications.

While some work is continuing in each of these organizations, major segments of the analyses that were started last November have now been completed. The results achieved thus far provide a basic framework that has been agreed upon by the United States and its partners for the conduct of East-West economic relations. The hopes of President Reagan and Secretary Shultz in undertaking the analyses have been borne out amply by the positive and constructive spirit in which they were conducted and by the results that have been achieved. In fact, the conclusions based on those analyses that had been agreed to before the 1983 summit meeting of industrialized countries made it unnecessary for the seven heads of government to spend much time at Williamsburg on this subject. In the Williamsburg declaration the heads of state and government said:

> "East-West economic relations should be compatible with our security interests. We take note with approval of the work of the multilateral organizations which have in recent months analyzed and drawn conclusions regarding the key aspects of East-West economic relations. We encourage continuing work by these organizations, as appropriate." [47]

Let me review for you some of the major points on which the leaders based that statement.

First, they recognize that the Soviets use some forms of trade to enhance their military capabilities and that, as a result, we must be vigilant to ensure that economic relations are consistent with our common security interests. While some forms of trade that are conducted on commercially sound terms can benefit both sides, we must insist on a balance of advantages and avoid preferential treatment of the Soviets.

Second, in regard to energy, the United States and its partners recognize that natural gas, with its relatively inflexible supply system, poses particular security problems. We have agreed that, in meet-

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[47] The quotation is from the joint statement issued by the Heads of Government at the Williamsburg Economic Summit Conference, May 28–30, 1983; see document 79.

ing future gas needs, we will take concrete steps to ensure that no one producer is in a position to exercise monopoly power over industrial countries. Further, we are also acting to encourage the production of natural gas from Norwegian and North American sources, and each nation is improving its safety-net measures in order to be able to deal with any interruptions of supply. The United States and its partners have agreed also to conduct regular reviews of each country's energy policy, giving special attention to dependencies and alternative sources of supply. We believe that these concrete accomplishments will enhance Western energy security and make it more difficult for the Soviets to use its abundant energy resources to extract political gains.

Third, we reached agreement that it is not sensible to continue to give the Soviets the same reductions on interest rates given to newly industrialized countries to finance their imports. Our agreed minimum interest rate for official lending to rich countries, including the Soviets is now 12.4 percent, nearly two points above the current U.S. prime rate. Also in the area of credits, we are working to improve our ability to monitor credit flows, so that our data on foreign indebtedness will be accurate and up to date.

Finally, in coordinating controls over the export of strategic technology, we are united with our allies in declaring that economic relations should not be permitted to contribute to Soviet military capabilities. At an April high-level meeting with our COCOM partners we explored ways in which the multilateral system of controls could be strengthened. The proceedings of the meeting are confidential, but I can say that the United States is well pleased with the work on improving coordination in export licensing and in the enforcement of controls. We are confident that the results of the COCOM work will reduce the flow of high technology to the East.

As you are aware, none of the organizations within which these analyses were performed (IEA, OECD, NATO, and COCOM), is a supranational body whose recommendations are binding on member states. Indeed, such a rigid arrangement would be antithetical to the spirit of our alliances and friendships with other democratic countries. Instead, the countries with which we have collaborated in these analyses have agreed with us concerning the validity, relevance, and importance of the findings; and they have agreed to take the conclusions strongly into account as they formulate their own national policies. We are confident that the results that have been achieved through this collective approach to East–West economic issues will yield valuable benefits for Western security.

I mentioned earlier that some aspects of the studies are continuing. We are seeking to build on the results that have been achieved thus far and heighten awareness of the security dimension of East–West economic relations. We are starting a process that will examine East–West economic relations as they develop and will provide informed analyses for the use of policymakers. Specific efforts that are in process now include:

An effort in COCOM to strengthen that organization and examine whether members' security interests require controls on additional high technology items;

Continuing work within NATO on the security implications of East–West economic relations;

An analysis in OECD of the balance of economic advantages in East–West trade; and

The ongoing study I mentioned earlier of national energy policies and Western energy security.

Before I conclude, let me restate our position on East–West economic relations and say why we think this area is so important. First, let me emphasize categorically that we are not waging economic warfare against the Soviet Union. We do not seek to cause the "collapse" of their economy. In fact, we would not want that—that would be a dangerous development. We favor mutually beneficial economic relations where those relations are conducted on commercial terms and where the advantages are mutual and balanced. An example of mutually beneficial trade is agriculture, where a U.S. team is at this moment in Moscow negotiating a new long-term agreement for grain sales to the Soviets.

We must keep in mind, however, that the Soviets vigorously seek to use trade with the West to enhance their strategic position and that they choose to devote 15 percent of their gross national product to

the military—a level far beyond what can possibly be regarded as "defense." They have also not acted as a responsible and restrained member of the international order. As Secretary Shultz put it last week in his statement to the Senate Foreign Relations Committee, unconstructive Soviet behavior has needlessly drawn more and more international problems into the East-West rivalry and made the task of managing our relationship more difficult. In the light of this, the United States and its partners have agreed to conduct their economic relations with the Soviets in a way that does not give preferential treatment to the Soviets or benefit their military position. It is crucial that we not permit our economic relations with the Soviets to be used in ways that reduce Western security.

To summarize, let me again state that the process of turning away from the economics of détente has been a long and reluctant one for the United States and its friends and allies. Differences of perception within the alliance and variations in the pace at which views have evolved sometimes have made the path rocky. Yet, through patient and statesmanlike determination, a collective approach to East-West economic relations has been forged.

We are confident that this collective approach has strengthened our common security, just as President Reagan said in his radio address last November 13 that it would. It has provided a sound basis for Western economic policy toward the East for the rest of the decade and beyond. Perhaps this approach can reduce, at least modestly, the amounts that we must spend each year to defend the values and liberties that we and our partners hold dear.

Document 153

Address by Vice President Bush Before the Foreign Policy Society at the Foreign Ministry Press Center, Copenhagen, Denmark, July 4, 1983 (Extracts) [48]

U.S. Sincerity on Nuclear Arms Reduction

Our basic agreement on fundamental issues is not always clearly recognized. While my conversations with the leaders I have visited so far have revealed many points of agreement, I have found during this visit to Northern Europe, and especially in talking with the press, that key aspects of American foreign policy are sometimes misunderstood.

The responsibility for explaining American Foreign policy of course belongs to the United States, and I welcome this opportunity to dispel certain misconceptions—I call them myths—about what President Reagan is trying to accomplish.

The first such myth holds that President Reagan is insincere about seeking nuclear arms reductions. Nothing could be further from the truth.

The President's record speaks for itself. In the last 2 years, the Reagan administration—working with Denmark and other close allies—has come forward with new and far-reaching proposals:

—to eliminate intermediate-range nuclear forces;

—to reduce substantially intercontinental strategic forces;

—to reduce troop levels in Europe to equal levels; and

—to ban completely the production and stockpiling of all chemical weapons.

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[48] Source: Press Release, July 4, 1983, Office of the Press Secretary to the Vice President; printed also in Department of State *Bulletin*, September, 1983, pp. 11–14. Bush was on a 2-week trip to Northern Europe where, between June 23 and July 27, 1983, he visited the United Kingdom, the Federal Republic of Germany, Norway, Sweden, Finland, Denmark (July 3–4), Ireland, and Iceland. Omitted from the Vice President's speech here are his remarks on Central America.

In negotiation after negotiation, we have demonstrated our flexibility. In the INF negotiations, for example, the President announced last spring that if the Soviet Union refused to eliminate an entire class of INF missiles, the United States would be willing instead to enter into an interim agreement providing for lower levels of INF warheads.

More recently, the President has demonstrated his flexibility in strategic arms reductions by announcing that if the Soviet Union rejected the original American proposal for cuts in ballistic missiles, the United States would be willing to discuss a different limit.

Now I know some people argue that this is all just a public relations ploy and that the President isn't really interested in achieving agreement. This is simply untrue. I know the President well, and I know his innermost feelings on this matter. President Reagan is a man deeply committed to arms reductions—a man with a vision of a world free from the burden of the nuclear threat.

The President demonstrated his sincerity again just last week when the United States announced that it would support the effort of the Spanish government to find a compromise agreement at the Madrid meeting on Security and Cooperation in Europe. We are encouraged by what appears to be a favorable Soviet response to this effort and we hope that the Spanish initiative soon produces an outcome that will enhance the prospects for both disarmament and the observance of human rights in Europe.

. . . . . .

Returning to Europe, another myth considers it is longstanding American policy to seek not arms control, but an unconstrained nuclear arms race. Yet once again, the record speaks for itself.

The United States has always stood at the very forefront of arms control. It was an American, Bernard Baruch, who in the aftermath of World War II, before the Soviets even had nuclear weapons, proposed that all countries relinquish to the United Nations their right to deploy nuclear weapons. The Soviet Union rejected that proposal.

It was an American, President Dwight Eisenhower, who came forward with the "Open Skies" proposal designed to lower tensions by giving both sides the ability to observe each other's military programs with reconnaissance aircraft. The Soviet Union rejected that proposal.

It was an American, President Ronald Reagan, taking the moral high ground, who called for the total elimination of an entire class of INF missiles. Again, the Soviet Union rejected that proposal.

The United States adamantly opposes an arms race. Despite all the talk you hear of weapons piling up, the fact is that the United States has fewer nuclear weapons in its stockpile today than it did 15 years ago. And the total destructive power of those warheads is lower than at any point in the last 25 years.

In a decision, moreover, that received surprisingly little attention or credit, the United States over the last 3 years unilaterally withdrew 1,000 nuclear weapons from Europe. And if we are forced to deploy INF missiles, we have agreed with our allies that for every new warhead that is set in place, an existing nuclear warhead will be withdrawn.

In the interests of arms reductions, we are willing to consider every option. We have not ruled out a summit meeting with the Soviet Union. For such a meeting to succeed, however, it must be thoroughly prepared, and President Reagan has made it clear that he will insist on such preparation. We owe too much to the American people—to the people of the world—not to do our best to ensure that a summit produces not frustrated hopes, but substantive results.

I did not come to Northern Europe to engage in confrontation, but I believe we would do well to pose certain questions to the Soviets.

—Why did the Soviet Union, with no warning, begin its buildup of SS–20's in the mid-1970's?

—Why did the Soviet Union, after NATO's December 1979 decision, continue its SS–20 buildup when Soviet leaders themselves openly proclaimed that a balance already existed in Europe?

—And why, even after Moscow announced last year that there would be a

moratorium on deployment, did the Soviet Union nevertheless deploy even larger numbers of SS-20's?

These questions bear directly on the lives of hundreds of millions of free men and women. The people of the West deserve answers.

A final myth holds that the United States is planning to fight a limited nuclear war in Europe. This is the most pernicious myth of all.

It is not now and never has been American policy to fight a nuclear war or to try to limit any East/West conflict to Europe. Indeed, the whole NATO strategy of deterrence has been designed to make it absolutely unmistakable to any potential aggressor that, in the words of NATO doctrine, an attack on one is an attack on all. It is the very essence of deterrence that the prospect of American retaliation against an attack on Europe lowers the incentive for such aggression.

We have no illusions about the terrible consequences of nuclear war. President Reagan has repeatedly stated that in a nuclear war, there can be no winners, only losers. And it is because we suffer no illusions that we stand utterly determined to do whatever we must to prevent a nuclear cataclysm.

When we recognize these myths for what they are, there is good reason for optimism about the prospects for freedom and peace. President Reagan's commitment to the achievement of significant arms reduction is, as I stated, unshakable. And because of his realistic assessment of Soviet intentions and his determination to keep the United States strong, in my judgment, President Reagan has a better chance than any recent American President of negotiating major arms reductions.

There is another good reason for optimism, and that is the record of the NATO alliance. In the more than 3 decades since the formation of the alliance, over 100 wars have taken place in the world. Yet under NATO's protection, Western Europe, part of a continent that for all its history had known outbreak after outbreak of battle and that had undergone the awful carnages of the first half of this century, has nevertheless experienced peace.

I want to close by saying a word to the young people of Western Europe—those who are too young, maybe, to remember anything at all about the Second World War. Like many of your parents and grandparents, I lived through that war—fought in it as a pilot in the Pacific, got shot down once, saw some of my best friends killed before my eyes.

I want you to know that I understand your love of peace, because to those of us who lived through that war, these past thirty-some years of peace have been more precious than words can tell. And because I have children—and grandchildren—and I don't want them ever to have to go through what I and so very many others went through.

You must believe us when we tell you that peace doesn't just happen, it has to be built, and then protected. I know that many of you belong to peace movements, and I admire your idealism, but I would like you to realize that one organization, the NATO Alliance, has successfully kept the peace for these three and more decades. This alliance of free nations represents the true European peace movement. We are joined not just by security, but by our fundamental commitment to democratic values—by our fundamental commitment to freedom.

The alliance does, of course, impose its responsibilities. Some nations, the United States among them, have had to station troops far from home; others in turn have had to live with foreign troops on their soil. All our nations have had to spend more on defense and keep more men in uniform than we like to do in peacetime. All our people have had to live with the pressures and tensions involved in maintaining our freedom in a turbulent world.

Yet beyond the Elbe millions bear burdens far heavier than our own. We speak out at will. Andrei Sakharov, Anatoly Scharansky, and Lech Walesa know no such freedom. We travel from country to country as we choose. Those behind the Berlin Wall know no such liberty. During this visit I have encountered some protests. Who among us would not thrill at the sight of an anti-nuclear demonstration in Red Square?

But the Soviets have shown us how they treat freedom. East Germany, 1953. Hungary, 1956. Czechoslovakia, 1968. Afghanistan, 1979. Poland, Today.

"We hold these truths to be self-evident," Thomas Jefferson wrote in the Declaration of Independence, "that all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are life, liberty, and the pursuit of happiness."

For more than three decades the people of Western Europe and North America have enjoyed the exercise of their self-evident rights in peace. I am confident that if the NATO Alliance keeps the support not only of those of us who have known war, but of those of you we pray never shall, then we will continue to defend those rights, and to keep that peace.

Document 154

Statement by President Reagan, July 15, 1983 [49]

Endorsement of Concluding Document of Conference on Security and Cooperation in Europe

After nearly 3 years of negotiation, the 35 states participating in the Madrid review meeting of the Conference on Security and Cooperation in Europe [50] are approaching agreement on a concluding document [51]—one that will strengthen and extend the undertakings contained in the Helsinki Final Act. It is a call on all 35 CSCE states—particularly those who have so tragically failed to live up to promises made in Helsinki—to give life to these commitments and to rededicate themselves to advancing the freedom and justice on which security in Europe ultimately depends.

We have agreed to this concluding document, as we did in 1975 to the Helsinki Final Act itself, with no illusions about the nature of the Soviet Union or about the system which it seeks to impose over much of Europe. In an ideal world, agreements such as this would not be necessary. But we believe it is the best agreement attainable, one which significantly improves on the Helsinki Final Act and advances the efforts of the West to hold out a beacon of hope for those in the East who seek a more free, just and secure life

Together with the Helsinki Accord, this agreement sets forth a clearer code of conduct for all 35 CSCE states—a set of standards to which we and the other Atlantic democracies will continue to hold all those who will have pledged their word at Madrid. We will sign it with the hope that it will serve as a step toward achieving our objective of a more stable and constructive relationship with the Soviet Union.

The Madrid Accord will add important new commitments to the Helsinki process, including provisions dealing with human rights, the trade union freedoms so tragically violated in Poland, terrorism, religious liberties, reunification of families, free flow of information, and more. It will provide for two important meetings of experts in the humanitarian field, and for a security conference which will attempt to negotiate measures for reducing the danger of surprise attack in Europe. Another full followup meeting will take place in Vienna in 1986, where we will review the conduct of the participating states and seek to build on the accomplishments at Madrid.

The unity and resolve of the Western democracies at Madrid have made this achievement possible. Ambassador Kampelman and his NATO colleagues deserve the highest praise for bringing this long and often difficult conference to a successful conclusion. We also owe a special vote of thanks to Prime Minister Gonzalez of Spain, whose thoughtful proposal set the stage for final agreement.

In concluding the Madrid meeting, we reaffirm our commitment to the Helsinki process. We will not flag in our continued determination to work with all governments and peoples whose goal is the strengthening of peace in freedom. As Madrid has shown, dialog, when based on realistic expectations and conducted with

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[49] Source: White House Press Release, July 15, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, July 25, 1983, p. 1007.

[50] The final session of the Madrid followup meeting of the Conference on Security and Cooperation in Europe, which initially began November 11, 1980, was held September 7–9, 1983.

[51] For text, see Department of State *Bulletin*, October 1983, pp. 53–60.

patience, can produce results. These results are often gradual and hard-won, but they are the necessary building blocks for a more secure and stable world. The challenge remains; we must all consolidate and build on these gains; we must ensure that good words are transformed into good deeds and that the ideals which they embody are given concrete expression. Giving substance to the promises of Madrid and Helsinki will remain one of our prime objectives.

Document 155

Statement by the Chairman of the U.S. Delegation to the Madrid Followup Meeting of the Conference on Security and Cooperation in Europe (Kampelman), July 15, 1983 (Extract) [52]

Progress at the CSCE Review Meeting

INTRODUCTION AND SUMMARY

The 35 states participating in the Madrid CSCE review conference, after almost 3 years of negotiation, are approaching agreement on a final document. This conclusion meets the Western criteria for an acceptable, balanced, and substantive result. It confirms and expands upon the original Helsinki Final Act of 1975. The United States is pleased at the result and believes that the 2 years and 10 months spent negotiating in Madrid have been fruitful and well worth the extraordinary effort.

There follows a summary followed by an outline of the issues that have dominated the Madrid meeting, as well as a report on how the final document deals with those issues.

The Madrid concluding document will add important new provisions to the Helsinki Final Act of 1975. These provisions deal with the rights of workers to organize, with human rights, with Helsinki monitors, religious rights, human contacts and family reunification, access to diplomatic and consular missions, information, rights of journalists, and measures against terrorism.

It also provides for convening a Conference on Security and Confidence Building Measures and Disarmament in Stockholm next year to work out detailed measures to reduce the fear of surprise military attack. An important new element in this decision is that the measures to be adopted at Stockholm will apply to all of the European portion of the Soviet Union, right up to the Ural Mountains, rather than only to the 250-kilometer (150-mile) band provided for in the Helsinki Final Act.

In addition, the Madrid agreement schedules a series of additional meetings which are to take place over the next 3 years. There will be meetings on human rights, human contacts, and on the peaceful settlement of disputes, a cultural forum and a seminar on economic, scientific, and cultural cooperation in the Mediterranean. A meeting is also scheduled in Helsinki during 1985 to mark the 10th anniversary of the Helsinki Final Act.

Finally, the Madrid Conference will agree to convene the next followup meeting in Vienna in November 1986 in order to carry forward the review process begun in Belgrade in 1977–78 and continued in Madrid over the past 2 years and 10 months.

One of the most important aspects of the CSCE process is the opportunity it provides for a thorough review of the implementation of the Helsinki Final Act. During this review in Madrid, there was general condemnation of the failure of the East European states to live up to their Helsinki commitments, with special criticism of the Soviet and Polish Governments for their policies of internal repression and, in the case of the USSR, its interference in the internal affairs of Poland and Afghanistan.

The establishment by the Madrid concluding document of a whole series of supplementary meetings will ensure that this critical attention to the behavior of the Soviet Union and other Eastern European governments will continue during the next 3 1/2 years. Those experts' meetings, and the Vienna followup conference, will ensure that any state's failure to live up to the undertakings made in Madrid and in Helsinki will again attract the full spotlight of public attention.

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[52] Source: Department of State files.

Implementation Review

The Madrid Preparatory Meeting, which began on September 9, 1980 and did not end until after the main meeting opened on November 11, 1980, a period of more than 9 weeks, focused on Western demands that discussions of new proposals on how best to strengthen the Helsinki process should be preceded by a review of how the provisions of the Helsinki Final Act of 1975 were being implemented. The agenda finally produced by the Preparatory Meeting provided that opportunity. The period of November 11 to December 19, 1980 was set aside for that review, and it was a thorough one. The Soviet invasion of Afghanistan and the record of human rights violations in the Soviet Union and Eastern Europe were explored and recorded in meticulous detail.

Continuing Soviet and other Eastern violations of the Helsinki Final Act made it necessary to extend this review of implementation throughout most of the Madrid deliberations.

The final document acknowledges that this review took place ("They . . . reaffirmed . . . the importance of the implementation of all the provisions . . . of the Final Act . . . as being . . . essential. . . . It was confirmed that the thorough exchange of views constitutes in itself a valuable contribution towards the achievement of the aims set by CSCE. In this context, it was agreed that those aims can only be attained by continuous implementation, unilaterally, bilaterally and multilaterally, of all the provisions and by respect for all the principles of the Final Act."), that the review is essential to the health of the process, and that there must be an improvement in compliance. ("Serious violations of a number of these principles were deplored during the assessments. Therefore, the participating states . . . considered it necessary to state . . . that strict application of and respect for these principles, in all their aspects, are essential for the improvement of mutual relations between the participating states . . . "). [53]

The United States is fully aware of the fact that the Helsinki Final Act cannot attain its objectives when certain states, particularly the USSR, continue to violate its provisions. There are no enforcement mechanisms under the Act. The Madrid meeting has been, therefore, the appropriate forum at which to insert political and moral pressure into the process. The implementation review became the mechanism. The fact that it was efficiently undertaken by a united Western group of states, joined by most of the neutral and nonaligned states, made that possible.

Equally important, Madrid's implementation review afforded the opportunity for a large number of the participating states to communicate to the Soviet Union their deep concerns about violations of the accords. The message was clear: "Conform to the promises made in 1975 if you wish to be recognized as a responsible member of the international community."

Even as the pattern of Helsinki Final Act violations by the East continued, the United States took note of certain specific acts responding to Western concerns. The decision by Romania on its education immigration tax is an illustration. The suspension of some aspects of martial law in Poland and the release of Lech Walesa is another, although continued arrests and imprisonment of thousands and the continued outlawing of Solidarity put the *bona fides* of those steps into question. We have also noted and welcomed a few gestures from the Soviet Union and will continue to encourage further such steps. We hope there will be other developments in response to our concerns.

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[53] All ellipses in this paragraph are in the source text.

Document 156

Transcript of a Press Briefing by the Head of the U.S. Delegation to the Intermediate-Range Nuclear Force Negotiations (Nitze), July 21, 1983 (Extract) [54]

Negative Soviet Response to U.S. Interim INF Proposal

AMBASSADOR NITZE. Good afternoon. I've just had the opportunity once again to consult with the President and Judge Clark on the negotiations in Geneva, on the reduction and limitation of intermediate-range nuclear forces. During the last round that began in the middle of May and recessed a week ago, the U.S. delegation presented and explained in detail the text of a treaty which would implement the interim proposal which the President, after extensive consultation with our NATO allies, had authorized us to put forward.

That text called for equal number of warheads on the INF missiles of the United States and of the Soviet Union. We attempted to elicit from the Soviet delegation an indication of the level they would be interested in. They would not do so. In an effort to move the negotiations forward, we told them we would consider any level between zero and 572 and specifically proposed a level of 50 each on each side, a level of 100, 150, and so on up to 450.

The Soviet side continued to insist on their one-sided proposal, that they be permitted a continuing and large deployment of the SS-20's in Europe and that the United States not be permitted to deploy any comparable systems in Europe.

They also insisted on no limitations whatever on their forces in the eastern portion of the U.S.S.R. and on a significant reduction in the U.S. duel-capable air support of NATO's conventional defenses.

The negotiations in Geneva have been intense and strenuous, with movement on a number of issues but as yet not by the Soviet side on the most important issues. The President today repeated to me his deep desire for a constructive outcome if that is at all possible prior to the first U.S. deployments scheduled for later this year.

The President is impressed as am I by the steadfast support of our allies, both in Europe and in Asia. With that support and the support of the American people, I believe that the Soviet Union may yet see the wisdom of reaching a fair agreement and the folly of continuing to maintain a rigid and uncompromising attitude.

Q. Mr. Ambassador, you sound pretty bleak. What is it that gives you any hope that before December, before the start of the deployment, there could be an agreement?

AMBASSADOR NITZE. I'm not that bleak. Temperamentally, I'm an optimist. And this last round has been, as I said, a strenuous and difficult round, but I think we have made some progress. But it is my hope and belief that the Soviets will in this last round give real consideration to—

Q. Where does the—excuse me—where does the progress come from? I mean, where do you see it?

AMBASSADOR NITZE. We have changed our position radically. The President's interim proposal was a substantial change from the zero-zero proposal which we had had on the table prior to that time. In fact, one time it was referred to by the other side as "the boulder standing in the river of progress." So, we've done something on our side.

We've done other things on our side. I don't want to get into the details of the negotiation. But they also, with respect to the details, have made some movement. What I've said is, with respect to the central problems, there I'm hopeful that they will, in the next round—they didn't in this last round, make significant movement.

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[54] Source: White House Press Release, July 21, 1983. Office of the Press Secretary to the President. This briefing was held at 2:11 p.m. in the White House.

Document 157

Address by the Secretary of State (Shultz) Before the Concluding Session of the Madrid CSCE Conference, Madrid, September 9, 1983 [55]

Concluding CSCE Document: Expansion and Improvement of the Helsinki Final Act

Spain, our gracious and creative host, has made a successful—and inspiring—transition to democracy. That success reminds us by its example that the light of freedom can never be extinguished and that the aspiration to human dignity is basic to all peoples. This is what the Helsinki process is all about. That is why the United States supports continuation of the process, strengthened as it is by what has been accomplished here at Madrid.

But we also meet at a time when basic human rights remain widely denied, and in the immediate aftermath of a brutal tragedy, shocking to the conscience of mankind. The Korean Airline massacre reminds us all of the extent to which the objectives of the CSCE process remain to be achieved. Our meeting here must therefore mark—as statement after statement of Ministers have done—renewed determination in the pursuit of these fundamental objectives.

Mr. Chairman, the Helsinki process was launched with great hopes 10 years ago. It was born at what seemed to be an encouraging moment in East-West relations: The United States and the Soviet Union had just reached the first agreements on strategic arms limitation. Broad vistas of economic cooperation appeared open. Progress seemed possible on human rights. There was an awareness that lasting peace required us to look at the totality of our relations. And so Helsinki was an attempt to deal comprehensively with the problems of security, economic relations, contacts between our peoples, their basic freedoms, and standards of international conduct.

The Helsinki Final Act is an eloquent statement of aspirations, to which the United States gladly subscribed because we subscribe to every one of its principles.

It affirms the most fundamental human rights: liberty of thought, conscience and faith; the exercise of civil and political rights; the rights of minorities.

It calls for a freer flow of information, ideas, and people; greater scope for the press; cultural and educational exchange; family reunification; the right to travel and to marriage between nations of different states; protection of the priceless heritage of our diverse cultures.

And it reaffirms the basic principles of relations between states: nonintervention, sovereign equality, self-determination, territorial integrity, and the inviolability of frontiers other than through peaceful change.

The United States has always been realistic about the Helsinki process. We did not expect it to resolve all of the difficult security issues we face in an era of ideological conflict and military competition. We knew, from the beginning, that some would distort it to reinforce the division of the continent and the domination of Eastern Europe by the Soviet Union, despite the Final Act's clear reaffirmation of freedom, political independence, sovereignty, self-determination, and noninterference.

Thus, when heads of state and government met in Helsinki in 1975 to conclude the first conference and sign the Final Act, the United States took the position that hope had to be tempered by realism and backed up by effort. President Ford expressed it well on that occasion:

> "History will judge this conference not by what we say here today, but by what we do tomorrow—not by the promises we make, but by the promises we keep." [56]

Reflecting on the experience of the last 8 years, we must be disappointed, but we cannot be surprised, that the years since then have seen many setbacks for our

[55] Source: Department of State Press Release 341, September 12, 1983; printed also in Department of State *Bulletin*, October 1983, pp. 50–52. Secretary Shultz represented the United States at the final session of the followup meeting of the CSCE, September 7–9, 1983.

[56] President Gerald Ford addressed the Conference on Security and Cooperation in Europe in Helsinki, August 1, 1975.

effort to strengthen security, expand cooperation, build mutual confidence, and protect human rights.

The record speaks for itself.

There are governments in the East which have from the outset treated their commitments to human rights under the Final Act with open contempt. The Helsinki monitoring groups that citizens created to gauge their governments' performance have been systematically suppressed. Emigration, after an initial rise, has fallen dramatically. Dissidents have been subjected to ever more brutal treatment. And courageous men and women who dared to assert their human rights—or demonstrate for peace and arms control—are rotting in prison or condemned to mental hospitals.

Similarly, within 2 years of signing the document pledging a commitment to the pursuit of peace, the Soviet Union began deploying SS–20 intermediate-range nuclear missiles with multiple warheads on each, aimed at the peoples of Europe and Asia, endangering the balance of power and creating an enormous security problem.

Six years after signing a document pledging a commitment to sovereignty, independence, and self-determination, the Soviet Union coerced Poland into suppressing a free trade union movement whose only crime was to take workers' rights seriously in what claims to be a workers' state.

And most recently, just days after accepting here a new document of still stronger commitments than those of the Final Act, the Soviet Union has ruthlessly taken the lives of 269 innocent people on a defenseless civilian airplane. And from this rostrum, its Foreign Minister shamelessly insisted that the Soviet Union would do so again, thus again demonstrating its callous disregard for human life.

These blatant acts of Soviet defiance against the spirit and the letter of the Helsinki Accords have presented this Madrid meeting with its basic challenge. By accepting that challenge and insisting on injecting an element of accountability into the process, Madrid has saved the act from becoming an historic irrelevancy.

Let us look at the ideals of Helsinki as they relate to the realities of today.

In the security field, we and our allies seek to enhance European security at the lowest possible levels of arms. We are energetically involved in all ongoing negotiations. We welcome the newly scheduled conference on confidence- and security-building measures and disarmament. We know that the essence of security is mutual security. Unfortunately, as the fate of Korean Airlines Flight 007 once again reminds us, the Soviet Union defines its security in a way so absolute, self-centered, and cynical that it poses a danger to all other countries.

The SS–20's targeted on Western Europe and Asia dramatize the danger to us all. These missiles threaten international confidence and international stability. They are part of a steady and continuing Soviet aim for global military power far beyond any conceivable defensive needs. Their deployment began in 1977. On November 2, 1977, after about a dozen of these weapons had been deployed, Soviet President Leonid Brezhnev declared: "We do not want to upset the approximate equilibrium at present . . . between East and West in Central Europe, or between the USSR and the United States." [57] Whether or not one agreed on the precise nature of the military balance at that point, a natural question arises as to why the Soviet Union has proceeded since 1977 to deploy more SS–20's at a feverish pace, for a present total of over 350 launchers and over 1,050 warheads. If there was balance then with a dozen or so weapons, it is difficult to deny that today, there must be an imbalance that requires redress.

That balance will be redressed by the Atlantic alliance in the absence of an equal, verifiable agreement to limit them. The Soviet response to this, unfortunately, has been less genuine negotiation and more unilateral threats. The democratic nations will resist such threats, which poison the atmosphere and are inconsistent with the genuine pursuit of security and cooperation. If no agreement is reached by the end of this year, NATO counterdeployments will begin. But we, for our part, are willing to keep on trying to reach agreement with the Soviet Union. In addition to tipping the military balance, the Soviet Union and its allies embarked—in the immediate aftermath of the Helsinki Final Act—on a course of geopolitical ag-

[57] Ellipsis is in the source text.

gression in Africa, the Middle East, and Southwest Asia. Cuban armies under Soviet direction intervened in Angola, Ethiopia, and South Yemen; Vietnamese armies invaded Kampuchea, pioneering in the technology of chemical and toxin warfare against civilians; and the Soviet army invaded Afghanistan.

The United States is fully aware that the Final Act stresses, "The close link between peace and security in Europe and in the world as a whole." We will work with those who seek peaceful solutions in regional conflicts, consistent with the desires and interests of the peoples concerned, in Southeast and Southwest Asia, in southern Africa, and in Central America and the Caribbean.

We support that provision of the Final Act which treats economic relations as "an essential sector" of cooperation. But, "their cooperation in this field," says the Final Act, "should take place in full respect for the principles guiding relations among participating states." The steady growth in East–West economic exchanges that marked the early 1970's has slowed and leveled off. The geopolitical developments I have just mentioned have contributed to this drop. But it is partly the result as well of the oil crisis and world economic recession; and partly the result of the structural inefficiencies of the East's central economic planning.

It is ironic that a system claiming to exemplify the principles of the world's only truly "scientific" economic theory should have to resort to emulating Western methods, borrowing Western funds, and purchasing Western food and technology, in order to sustain its performance. Nevertheless, we continue to hope that nonstrategic trade, proceeding on sound commercial terms, can make at least some long-range contribution to constructive East–West relations.

In reaching the vital question of human rights, the central point to make is that they are not just a separate "basket" of issues but an integral part of the whole subject of security and cooperation. As the Final Act declares, respect for human rights and fundamental freedoms is "an essential factor for the peace, justice and well-being necessary to ensure the development of friendly relations and cooperation."

Here we arrive at the heart of the matter. What is the real reason that progress in the Helsinki process is such an uphill struggle? What is it that security and cooperation in Europe fundamentally depend upon? What are the real, basic obstacles to security and cooperation in Europe?

It all comes down to the question: Why is Europe divided?

We all know the answer. Europe was divided by force, and it remains divided by force—the force of a system that as a matter of both principle and practice is opposed to the free movement of people and ideas. This is a system that built a wall to keep ideas out and people in. This is a system that fears foreign radio broadcasts even more, perhaps, than it fears missiles.

Yet experience has shown that no wall is high enough, no jamming station strong enough, to keep out ideas or to keep down the hopes of men and women who yearn for freedom. The division of Europe is today, as it always was, unnatural and inhuman. Therefore, the attempt to keep Europe divided by raw power is inevitably a source of instability. There can be no lasting security or cooperation in Europe as long as one Government is afraid of its own people and seeks reassurance in imposing a system of force on its people and on its neighbors.

There will always be heroes who will not let us forget, and who give their would-be masters no rest: Polish workers, Czech intellectuals, East German clergy and peace demonstrators, and Soviet dissidents of all faiths and from all walks of life who risk life and livelihood for the cause of liberty. The Soviet Union would earn great credit for itself in the spirit of Helsinki if it allowed these heroes who want to leave the Soviet Union to do so. The right to emigrate is a vital principle acknowledged in the universal declaration of human rights. As this Jewish New Year begins, let us hope that the coming year will see major progress toward freer emigration. Yet our concern is not only for those who wish to leave but for those who remain. The condition of their lives in the spirit of Helsinki and Madrid, is an important barometer of the true condition of security and cooperation in Europe.

In the most profound sense, the Helsinki process represents an historic effort to

erode the cruel divisions between East and West in Europe. It is an effort that must continue because it embodies the most basic interests, deepest convictions, and highest hopes of all the peoples in Europe. Though this Conference is coming to a close, our concern for human rights is enduring, and we will continue to advance this cause in every appropriate forum. We will continue to speak the truth. The struggle for human rights is unstoppable, and it remains a priority of American foreign policy.

As the Madrid review meeting nears its end, I want to pay tribute here to the able leadership of the distinguished head of our delegation, Ambassador Max Kampelman. In speaking to this meeting, he spoke for a united country, for an American people united in supporting peace and united in its commitment to human dignity. And he helped with others to forge the unity among the Western democracies without which even the modest progress we have made would have been impossible.

After almost 3 years of patient negotiation, we have a document that will expand and improve upon the 1975 Final Act. It adds important new commitments with respect to human rights, trade union freedoms, religious liberties, reunification of families, free flow of information, and measures against terrorism. It also provides, significantly, for followup in the human rights and security fields.

A human rights meeting is scheduled in Ottawa in 1985, a meeting on human contacts in Bern in early 1986, and a full review conference in Vienna in late 1986. We hope that the Soviet Union will at long last pay heed to the concerns frequently expressed by many of us in Madrid, and respond to those concerns.

A conference on confidence- and security-building measures and disarmament will convene in Stockholm in early 1984. The United States will negotiate seriously to reach agreement on militarily significant, politically binding and verifiable measures applicable to the whole of Europe. We also look forward to the meeting of experts on the peaceful settlement of disputes scheduled for Athens in 1984.

The presence here of a distinguished congressional delegation signifies the dedication of my country to the Helsinki process and to the quest for security and cooperation in Europe.

We challenge the Soviet Union to undertake a serious dialog on the full range of outstanding issues, with the goal of settling problems and reducing tensions. For our part, we will continue to negotiate patiently in good faith and will consider any proposals that meet our basic objective of enhancing true security and cooperation.

As sober realists, we are—and must be—prepared for continued and often arduous competition. Yet we also believe that this competition can—and must be—conducted in a way that leaves room for practical agreements that push back the specter of major conflict. In the nuclear age, this is our mutual responsibility. It is my government's solemn commitment.

As President Reagan declared last July 15: "We will not flag in our continued determination to work with all governments and peoples whose goal is the strengthening of peace in freedom. As Madrid has shown, dialog, when based on realistic expectations and conducted with patience, can produce results. These results are often gradual and hard won, but they are the necessary building blocks for a more secure and stable world." [58]

Thank you very much.

Document 158

Statement by President Reagan, September 21, 1983 [59]

New U.S. Initiatives for an Interim INF Agreement

One of my first decisions in the aftermath of the tragic shooting down of Korean Air Lines Flight 007 was that the United States must continue its efforts in the interest of peace to pursue equitable

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[58] See document 154.

[59] Source: White House Press Release, September 21, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, September 26, 1983, p. 1292.

and verifiable arms control agreements with the Soviet Union.

On September 3, I met with Ambassador Nitze to discuss the INF negotiations in Geneva and to reaffirm my commitment to seeking a successful result in those talks.

Since then, the United States has held extensive consultations with our NATO Allies and Japan regarding the U.S. position in the talks. These consultations have included both direct correspondence between myself and Allied leaders, meetings of the NATO Special Consultative Group, and bilateral consultations with the Japanese.

In those consultations, suggestions for U.S. initiatives to move the negotiations forward were offered. These suggestions were welcomed by Allied leaders, who reaffirmed their strong support for the U.S. negotiating effort. Our NATO Allies also reaffirmed their commitment to the NATO double-track decision.

Based on the results of these consultations, Ambassador Nitze has received new instructions to pursue these U.S. initiatives with the Soviet negotiators in Geneva.

These initiatives represent significant further development of the U.S. proposal for an interim agreement which the United States put forward last March. They address a number of Soviet concerns.

The U.S. action in taking these additional steps is further demonstration of U.S. commitment, and that of our allies, to achieving a positive outcome in the Geneva talks.

We call on the Soviet Union to respond in a constructive manner to these proposals, so that the Geneva negotiations can arrive at a positive result.

Document 159

Statement by the U.S. Representative at the MBFR Negotiations (Abramowitz) Before a Subcommittee of the House Foreign Affairs Committee, September 22, 1983 [60]

Western Response to Eastern MBFR Proposals

Mr. Chairman [61] and members of the committee, I am pleased to be here to report to the committee on the MBFR negotiations since I took over the U.S. delegation in mid-March. I will review developments and offer some general observations. In brief, there have been important developments, but there remain basic differences.

Before I begin, I should point out that we have agreed with the East to maintain a rule of confidentiality about our negotiations. Each side, of course, makes public certain aspects of its position, but we must be able to negotiate in private. I know you will understand, therefore, that I am limited in what I can say in open session. In order to be as responsive as I can to questions, I suggest if we can we move to closed session after my statement.

As you know, the West tabled a draft treaty in July 1982, [62] which represented a major change in the Western approach on how to proceed with the large-scale reductions required to reach the agreed-upon goal of parity. For 9 years, the West had insisted that the United States and the Soviet Union negotiate their reductions first, to enhance confidence for subsequent negotiations on overall Eastern and Western reductions to parity.

With its draft treaty, the West altered this two-step process and instead called for all reductions to parity to be agreed and spelled out in one agreement, and for the agreed common ceiling of 700,000

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[60] Source: *Status of Mutual and Balanced Force Reduction (MBFR) Negotiations: Hearing Before the Subcommittee on International Security and Scientific Affairs of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1984), pp. 2–6.

[61] Representative Clement J. Zablocki.

[62] Regarding the draft treaty tabled by the West in Vienna on July 8, 1982, see *American Foreign Policy: Current Documents, 1982*, p. 495.

ground forces for each side to be reached within 7 years.

Having thus met a long-held Eastern interest in linking the initial United States-Soviet reductions to the subsequent reductions of the other participants, particularly the Federal Republic of Germany, the Western draft treaty had the effect of isolating and highlighting the two major remaining issues—data and verification. Western negotiators called on the East to move on these two issues in return.

Let me briefly review these two issues.

The issue of data has a long, unhappy history. The background is that when the East finally tabled its data on its own forces in 1976, it chose to use figures showing an approximate parity in ground forces already existing between East and West in central Europe, and to claim it had used Western definitions for calculating these figures. In fact, using these definitions the East enjoyed a superiority of some 150,000 men.

This discrepancy in starting force levels results in a major problem: How many Eastern forces must be reduced to reach the agreed 700,000 common ceiling? After 7 years of debate, no progress has been made in resolving this disagreement through normal negotiating efforts.

The East refuses to discuss the differences in detail. It has stated that it will not back away from its official data and that further discussion of the data dispute is fruitless. The East now suggests that progress is possible only if the sides forget about data and approach the problem of reductions from another angle.

The history of the verification issue is not as long. The West tabled its specific proposals only in 1979. The Western position has been that national technical means of verification must be supplemented by cooperative verification measures, including onsite inspection, exchange of information, and the establishment of exit/entry points with observers. Only through such measures could we enhance confidence in verifying an agreement involving manpower and resolve disputes.

The East has finally acknowledged the importance of cooperative verification measures and no longer insists that national technical means are sufficient. The East now appears to accept many elements of the Western proposals, including the principle of onsite inspection. The Eastern position still falls short of Western requirements, but we have here opportunities for probing and for much improved dialog between the sides.

As a response to the Western draft treaty of 1982, the East in February suggested a new approach, calling on the West to take a political decision to begin reductions immediately, while continuing work on a formal agreement for both sides to reduce to parity within 3 years. The East has designed its proposals to avoid the data issue: Instead of focusing on starting force levels, where we are now, the East proposes to focus on the verification of the end result, the 700,000 common ceiling.

The East argues that it does not matter where the sides started, as long as each side is assured of where we end up. In effect, the East is offering some prospect of flexibility on verification in exchange for the West dropping its requirement for prior agreed data.

To summarize briefly, the Eastern proposals consist of three elements:

First, initial United States-Soviet reductions by mutual example, that is, outside the framework of a formal agreement. The East proposes U.S. reductions of 13,000 and Soviet reductions of 20,000, in the form of units, with the armaments associated with these units withdrawn as well. These reductions would begin this year and would be completed within 1 year. The East has agreed to some cooperative verification measures to help verify that these reductions took place.

The second element is, following these initial reductions, a political commitment by each side not to increase their forces or armaments in the area of reductions. This commitment would be in effect while the sides negotiate the remaining reductions. No cooperative verification of such a commitment would be in place.

The third element: the sides would undertake, in a formal agreement, reductions to the agreed common collective ceiling of 900,000, with no more than 700,000 ground force manpower and no more than 200,000 in air force manpower.

This third element was embodied in a draft agreement tabled in June. The agreement provides for the reductions to

be completed within 3 years and for each side to determine for itself the amount of reductions necessary to reach parity, thus avoiding the requirement for prior agreement on force levels.

After all reductions have been taken and the agreed common ceilings reached, the East proposes a set of cooperative verification measures to help verify that each side has in fact reached the agreed levels and adheres to them for the duration of the agreement. These measures include the establishment of exit and entry points with observers, an exchange of information on forces remaining in the area, and onsite inspection on a mutually acceptable basis.

I do not want to speculate about Soviet motives in presenting these proposals. Suffice it to say that the East has made some movement in its position on verification, however still inadequate on the whole. The East has in effect declared the data issue dead and has moved somewhat onto Western ground on the verification issue.

There are serious difficulties with the Eastern position. One fundamental problem with the East's conceptual approach for avoiding the data issue is that it leaves undetermined and undeterminable the amount of Eastern reductions necessary to reach the agreed common ceiling. The Eastern approach would leave us in a situation of great uncertainty for the 3 years of the reduction process. We would have no way of assuring ourselves what the East was reducing and whether it was reducing its full complement.

The East offers only one cooperative verification measure for helping to monitor actual reductions—a willingness to invite observers to witness the reduction of the largest contingents. That hardly inspires confidence.

Another drawback is the lack of specifics in their verification proposals. The Eastern onsite inspection measure remains essentially voluntary. The West has explained that such a measure should provide the clear right of each side to conduct inspections during and after the reductions process, and the obligation of each side to allow such inspections as a matter of course.

The East also has not specified how much information they would be willing to exchange on forces remaining in the area. Such an exchange is crucial to enhanced confidence in verification, and the West has explained that there should be full agreement at the outset on the level of detail of the information to be exchanged. We have also stressed that an exchange of information must not be delayed until reductions are completed.

In short, we remain uncertain whether the East is willing to accept the type of verification measures we consider necessary.

The West has welcomed the Eastern moves on verification as an indication of Eastern willingness to consider a realistic framework for monitoring compliance with an agreement. At the same time, we have noted that further substantial progress will be required if we are to arrive at an effective verification system.

We have explained our basic requirements for any agreement: The extent of obligations incurred in an agreement must be clear and we must be confident that these obligations are being met. We have told the East that we will study their recent proposals in a constructive spirit in order to judge how they can contribute to progress in the negotiations. We are doing that right now. On our part, we have urged the East to take fully into account our fundamental requirements for a verifiable agreement.

I do not mean to imply we are nearing Nirvana. Our dialog has improved and hopefully will continue to do so, but there remain formidable difficulties in reaching agreement. There are inherent complexities in these negotiations, as well as basic differences in approach between East and West. For example, very briefly:

The subject matter of these negotiations touches upon some extremely difficult issues, such as the role of conventional forces in our overall defense and deterrent policies and the relationship between manpower and armaments.

There are some inherent uncertainties with regard to the monitoring and verification of any manpower agreement, and these uncertainties require us to look at the verification problem differently and take extra efforts to insure that obligations are understood and verifiable. The MBFR problem is not the same as the SALT and START problem and cannot be addressed in the same way.

Finally, there are the differences of approach. In MBFR, the sides probably do have some irreconcilable differences in terms of their views of their security position and requirements in Europe, although this does not necessarily preclude identification of an area of common interest sufficient to reach an agreement.

But the sides approach the problem of negotiating an agreement differently, and these differences are highlighted in the Eastern and Western positions now on the table in Vienna. The West seeks to develop an agreement very strictly, attempting to regulate every detail in order to reduce uncertainty. The East, on the other hand, tends to apply a broad political brush to the problem and is willing to go along with a degree of uncertainty and a lack of clarity which we find unacceptable. It tends to substitute good faith and good will for concrete verification. We hope this is changing.

These underlying and inherent problems with the MBFR negotiations make an agreement difficult. That is of course one reason the negotiations have been going on 10 years. This description of the difficulties of reaching a force reduction agreement obviously does not mean we should give up on our efforts. None of these difficulties is impossible to overcome, and progress has been made.

Moreover, the potential value of a force reduction agreement in central Europe, both political and military value, makes it incumbent upon us to strive energetically and imaginatively for a sound agreement.

Document 160

Statement by the Deputy Under Secretary of Agriculture for International Affairs and Commodity Programs (Tracy) Before a Subcommittee of the House Agriculture Committee, October 4, 1983 (Extract) [63]

The Threat of European Community Proposals to U.S. Agricultural Exports

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I would just like to comment, backing up items that have been stated already, that people are well aware that our oilseed sector exports to the European Community now amount to something in the neighborhood of $4.2 billion; that our nongrain feed ingredient exports total something in the range of $700 million.

We are very pleased to have developed these markets in the European Community. We are concerned, of course, deeply concerned, about the proposals that have been put forth by the Commission to place a tax on fats and oils and to place some as yet undefined restriction on nongrain feed ingredients.

I do want to point out that, at least as far as we can see these EC proposals at this point—and they are certainly not laid out in any detail—we do not see any immediate large impact on the dollar level of our trade. What we are really concerned about is the sort of camel's-nose-under-the-tent kind of approach.

In order to explain a little bit why we are worried about that, I would like to go back to the beginnings of the Common Agricultural Policy in 1962. The basic type of customs union with an external import levy that was put in place in 1962 at that time did not really have any large, immediate impact on our trade with the Community.

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[63] Source: *Proposed European Community Internal Tax on the Consumption of All Fats and Oils Except Butter: Hearing Before the Subcommittee on Wheat, Soybeans, and Feed Grains of the Committee on Agriculture, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1984), pp. 8–9.

However, it was the camel's-nose-under-the-tent as far as their overall trade policy and exports to third-country markets is concerned. Since that time, the Common Agricultural Policy, which was developed, really, to try to achieve self-sufficiency in a number of items, crossed that line into surplus production and dealt with those surpluses through the use of export subsidies in commodity after commodity.

At this point, the European Community is the No. 1 exporter in the world of poultry, of eggs, of butter, of all dairy products. They are the No. 2 exporter of beef in the world. They last year were No. 3 in wheat. We have seen new items subsidized recently, somewhat lesser things such as apples, "lesser" unless you happen to be involved in selling apples from the United States.

So we are very concerned, not necessarily with the immediate dollar impact of these proposals but with what they might mean in terms of impairing GATT bindings on our soybean complex and on our nongrain feed ingredients, and what that might mean for the future. So we want to be very clear that we are very concerned about those future effects. We have estimated that the CAP today is costing U.S. agriculture up to $6 billion per year in displaced trade and that cost could reach $8 billion by 1990.

I cannot emphasize too strongly that the United States absolutely rejects the idea that we should share a further burden of farm program adjustments in the Community. To proceed with any action based on that premise would be a grave error by the Community.

We have made two formal representations to the Commission and to member State officials. Secretary Block has written a letter expressing his strong concern to high-level agricultural officials throughout the European Community. The administration has agreed on a unified position on this issue, and ranking officials from the Departments of State, Treasury, Commerce, and, of course, Agriculture will raise U.S. concerns at all appropriate bilateral meetings with Community officials.

In addition, an interagency group has been directed to begin an examination of alternative U.S. responses should the European Community proceed to adopt the proposals. Let me assure you that there is no disagreement that our response must be strong, concrete, and immediate.

In closing, Mr. Chairman,[64] let me express my appreciation to the subcommittee for holding these hearings and giving our Department a chance to express publicly the mounting concern we feel about the momentum that has apparently developed in the Community to implement trade measures that are of grave concern to us. We feel that the question here is quite different from the problem of impact from other CAP measures and export subsidies. This is one of blatant protectionism, and the items covered are really about the only things left that are allowed relatively free entry into the Community. We feel that to cut those off is protectionism of the most blatant type.

Document 161

Address by President Reagan, October 22, 1983[65]

"The Obstacle to That [Arms] Agreement We Want So Dearly Is Not Washington, and It Never Has Been; It's Moscow"

My fellow Americans, I would like to talk to you today about the deep desire we share to reduce nuclear weapons, and to make our world more safe. Just as important, I want you to know why, despite all our good faith efforts, we are being frustrated in our goal to negotiate an arms reduction agreement. No issue concerns me more and has taken up more of my time, not just in meetings with advisors, but in deliberations with members of the Congress and close, constant consultations

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[64] Representative E (Kika) de la Garza.

[65] Source: White House Press Release, October 22, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, October 31, 1983, pp. 1479–1480. This address was pre-recorded at the White House on October 21, 1983 and broadcast on nationwide radio the following day at 12:06 p.m. The source text was released in Augusta, Georgia, where the President spent the first part of the weekend.

with our allies, than this quest for a breakthrough on arms reductions.

And, believe me, I do so willingly, because as your President, and also as a husband, father, and grandfather, I know what's at stake for everyone. The trouble is, the obstacle to that agreement we want so dearly is not Washington, and it never has been; it's Moscow. And that's been the case in all our current arms reduction negotiations with the Soviet Union.

But today I'd like to focus on the longer-range INF missile negotiations now under way in Geneva. Some have asked, "If we do want an agreement, why are we, the United States, planning to base new missiles in Europe?" Well, the question reflects some basic misunderstandings. It's been the Soviet Union who has been deploying such forces for a number of years, while the West watched and worried.

In 1977, the Soviets had in place 600 warheads on their longer-range INF missiles. More significantly, they began adding the SS-20, a new, highly accurate mobile missile with three warheads, which could reach in minutes every city in Europe and many cities in the Middle East, Africa and Asia. NATO had no comparable weapons.

In October 1979 Soviet leader Brezhnev announced a balance now exists. The Soviet Union, 800 warheads; NATO, zero. Some balance. It was only at this point at the end of 1979 that the NATO Alliance, not the United States alone, decided the Soviets' large and growing advantage in both nuclear and conventional forces would threaten our safety. So the Alliance made what was called "the dual-track decision". We would redress the imbalance by deploying comparable weapons, while seeking an agreement at the negotiating table, that would eliminate the need for deployment.

Nothing more dramatically illustrates our sincere desire for peace than our willingness not to deploy, if the Soviets would stop threatening Europe with their missiles. How did the Soviets respond? By adding one new missile every week. They now have 1,300 warheads or more, and that number is growing. NATO still has zero. All along we've been negotiating in good faith. We asked the Soviets to consider the total elimination of these missiles. It took them less than 24 hours to answer, "Nyet". So we proposed an interim solution—some equal but lower number, and the lower the better. With knee-jerk speed the same answer came back again, "Nyet". And it has remained the same for all our new proposals, because the Soviets insist on a monopoly of longer-range INF missiles. They offer what can only be called "a half-zero option," zero for us, hundreds of warheads for them. As I told the members of the United Nations, that's where things stand today. We will continue our efforts to make the Soviets heed the will of the world, stop stonewalling, and start negotiating in good faith.

But that wish should not become father to the thought. We must look at Soviet words and deeds with a clear head and ask some long overdue questions. Why does a regime which says it seeks peace repeatedly reject equitable proposals that would preserve peace? What are we to think of Soviet threats against NATO countries: warning Turkey it could become "a nuclear cemetery;" telling Scandinavian countries they are "a bridgehead for aggression;" and advising West Germany if new missiles are deployed, the military threat to it will grow manifold?

These are not words of a peacemaker, but of a nation bent on intimidation. It is inconceivable that any Western leader would make such crude and provocative threats.

Finally, what is the credibility of a regime which exploits peace demonstrations in the West, but brutally puts down any demonstration for reduced weaponry in its own country. As President Mitterrand of France recently observed, "Pacifism is in the West; and Euro-missiles are in the East: I consider that an unequal relationship."

My fellow Americans, the values of Western civilization and the beliefs that bind free people together are being tested. The Soviets are engaged in a campaign to intimidate the West. But it will not work. At home, bipartisan support in the Congress remains strong. And the unity of our NATO Alliance will not break. Just this week, Prime Minister Craxi of Italy visited the White House and assured me of Italy's continued, staunch support. Earlier this year, at the Williamsburg summit, the leaders of the industrialized nations agreed the policy is correct, fair, and should go forward. The spirit of Williamsburg is as strong as ever.

There is simply no sensible alternative to the parallel goal of deterrence and arms reduction. We will remain at the negotiating table just as long as it takes to reach a breakthrough. But the Soviets must understand: NATO's mission is to defend Europe and preserve peace, which it has done for 34 years. And NATO will continue to meet its responsibilities.

Our countries will remain united, strong and we will protect the safety of our people.

Until next week, thanks for listening and God bless you.

Document 162

Statement by the U.S. Trade Representative (Brock) Before a Subcommittee of the Senate Foreign Relations Committee, October 26, 1983 (Extract) [66]

Trade Difficulties With the European Community

Let me just pick up on the basic theme on which George [67] has elaborated. The trading circumstance with Europe in terms of our bilateral trade has shifted markedly from the very high surplus that we had with Europe in 1980 of $15.8 billion down to a surplus that may reach $2.5 billion this year, or even lower.

In all honesty, that is primarily due to the continuing weakness caused by Europe's major economic problems and the surge in the value of the dollar. I do not see much change in either situation in the next year or so. I very much hope that Europe's recovery will exceed the current estimates, but it does have a very heavy burden to face.

Under those circumstances and under the difficulties with which they have to live, I do not think it is surprising that we have a considerable increase in the level of tension. Good healthy partners are going to have tension under the best of circumstances. But when they are under the pressures that the Europeans are under and we have been under the same kind of pressures with our recession, it is going to cause increasing levels of difficulty.

The CAP is the most troublesome area, not the CAP itself but the area of agriculture and the impact of the external supports that the CAP has provided. The effect on us and on third countries in agricultural exports has been extremely negative, particularly in the face of declining world demand in the recession.

Let me state what I think is the obvious: There are two very fundamentally different points of view on each side of the Atlantic on this issue, and there is a terrible lack of understanding on each side of the other side's point of view. We must recognize this if we are going to have a conversation about the agricultural situation that we face.

We believe that the United States has shown a great deal of forebearance in not criticizing the Common Agricultural Policy in terms of its domestic application within the Community, even though in so doing we have foregone the largest and most productive market opportunity in the world for many American products.

The European Community, on the other hand, believes that forebearance in terms of their internal circumstance is not nearly enough. They argue that their need to support the CAP in whatever form necessary for their internal political balance gives them the right to massively subsidize their exports, virtually without any ethical or legal constraints. That attitude obviously has made life very difficult for us and, frankly, for a great many Third World countries.

Now we face a situation where the Community is running out of money, so proposals have been made recently to threaten what is left of the access we now enjoy to the European Community markets of agricultural products, access which we secured in past negotiations and access which would be limited through import restrictions on animal feeds, corn gluten, and citrus pellets.

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[66] Source: *United States Economic Relations. Hearings Before the Subcommittee on International Economic Policy of the Committee on Foreign Relations, United States Senate, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 93–95.

[67] For the testimony of George Vest, Ambassador, U.S. Mission to the European Communities, before this subcommittee October 26, 1983, see *ibid.*, pp. 88–92.

In addition, they have suggested a consumption tax on animal and vegetable fats and oils. The combination of those two would affect about $5 billion worth of U.S. trade, which we achieved in the Tokyo round and for which we believe we paid.

We also have the very difficult problem still to be resolved in the area of specialty steel. You are aware of the action the United States took. We have settled with all other countries except Europe. The Community has said that it is not interested in negotiating an agreement with us concerning this specialty steel area and will seek compensation. There have been suggestions of retaliatory action.

I think those are the two principal areas of concern. But maybe underpinning all of that are fundamentally different views on the role of government in aiding export-oriented public corporations. It has been a source of concern, and the subsidy problem in all of these areas is going to be a source of conflict for some time to come unless we can find some way to define the issue and to rationalize our approach to it.

Let me mention a couple of things that we are trying to do to deal with these issues. In agriculture we have four parallel exercises going at the same time. First, we have brought a number of cases in the GATT against European Community trade practices.

Second, we have begun a review in the GATT on the effectiveness of existing disciplines on export subsidies. Obviously, we centered this in the GATT Committee on Trade and Agriculture.

Third, for several months we have been talking bilaterally—since the meeting we had, George, in December with the European Community Commission, about agricultural export subsidies. I have no great breakthroughs to report, but we are in agreement, at least, that there is room for more effective GATT rules.

Finally, in the GATT Subsidies Code Committee we are urging the strengthening of the rules on subsidies.

What all that says is not much has changed, and we are trying very hard to manage an extremely difficult and contentious and, I think, dangerous problem. We have managed it, but we certainly have not solved it.

We have in previous months this year found it necessary to defend our interests with more aggressive sales in third country markets. If we remain stalemated, it is obvious that we are going to have to take some further action to assure that our products remain competitive in the face of the subsidies from the European Community.

On the proposed reform of the CAP, we really are making every effort to let them know just how strongly we feel about these proposed restrictions, or any restrictions, for that matter. In recent weeks, my office, as well as the Departments of State and Agriculture and our embassies overseas, have made our views known to the Community and to the member states and to other GATT members.

It is fair to state that if the Community is unable to understand the importance we attach to this issue, it is due less to inadequate communication than to the impossible choice the European Community countries face domestically in coming to grips with their own problems.

In the steel area, we are holding consultations with the European Community in the GATT and I hope that we have sufficient good will to ultimately come to an understanding and a resolution of this particular problem. We are going to try very hard to do that.

I should mention some areas of progress. We have made real progress in the export credit area with the OECD credit arrangement. That is substantial and important. In trade in civil aircraft, we are seeking to eliminate subsidization of the officially supported credits for these items as well.

We have made some progress in expanding the purchasing commitments on both sides into the spare parts area. Improvement of the conditions of high technology trade is of fundamental importance. We remain blocked by the European Community in the GATT on that subject. We are moving in the OECD.

Finally, it is important in looking at this, the most important relationship in the world, to understand just how tough it has been for political leaders in Europe, not only with the recession that they have had to live with, but with the prospect of continuing and perhaps even increasing unemployment, and an economic circum-

stance which is excessively rigid and which has had so much government intervention that it has inhibited the ability to adapt to present world competitive requirements.

The European Community is under enormous pressure, all of the member governments, all of the political leaders, from those who argue for more intervention and particularly from those who suggest protectionist responses.

Maybe the most important thing we can do is to recover as rapidly as we humanly can and to maintain our stance against limiting their market access here, and perhaps we can help them recover fast enough to overcome the temptation to take more negative actions.

We have so much at stake, the United States and the EC, in maintaining a healthy and liberalizing world trading system. We both know that. But the next several months are going to be very difficult and they are going to put us to a test in terms of our ability to go beyond the commitments our leaders made at the Williamsburg Summit and to translate those commitments into some real substance and to take specific liberalizing steps.

With all of this, I think there is an understanding on both sides of the Atlantic, Mr. Chairman, that we simply have to have each other and we have to have each other healthy. We have to work together to achieve that purpose and to understand that the pressures we both face are real, and that each of us has to help the other in facing those pressures more effectively.

Document 163

Final Communiqué and Annex Issued by the Defense Ministers of the North Atlantic Council, Montebello, Canada, October 28, 1983 [68]

NATO Decision To Reduce the Number of Shorter-Range Nuclear Weapons in Europe

The NATO Nuclear Planning Group (NPG) held its Autumn Ministerial meeting at Montebello, Quebec, Canada on 27 and 28 October, 1983. Spain attended as an observer.

Ministers discussed a wide range of security matters. In particular, they discussed a comprehensive study prepared by the High Level Group. The terms of the Montebello Decision taken on 27 October, 1983 which resulted from this are set out in full at Annex to this Communiqué.

Ministers reaffirmed that the supreme objective of the Alliance is the maintenance of peace in freedom. A stable military balance to be established at the lowest possible level is essential to this objective. They emphasized that it was not necessary for the Alliance to match the Soviet Union system-for-system or warhead-for-warhead. Although nuclear forces at all ranges play an important role in maintaining an unbroken spectrum of deterrence, only the minimum number of these forces necessary to support the Alliance's agreed strategy of deterrence and defence should be retained in NATO's inventory.

Ministers noted that, in contrast to NATO's policy of restraint, the Soviet build-up is continuing relentlessly at all levels. In recent months the Soviet Union has continued construction of at least three new SS-20 bases east of the Ural Mountains, in addition to the already deployed 351 operational SS-20 launcners comprising 1,053 warheads. They are also retaining older shorter-range missiles by a new generation of more accurate systems,

[68] Source: *NATO Review*, No. 5, 1983, pp. 32–33. Secretary of Defense Weinberger represented the United States at this meeting held October 27–28, 1983.

namely the SS-21, SS-22 and SS-23, which have been under development for a number of years.

SS-21's have already been forward deployed in Eastern Europe for some time. Ministers noted that the Soviet Union has recently threatened to deploy forward additional shorter-range missiles and to adopt other military and political measures should NATO proceed as planned with the deployment of LRINF in Europe. Ministers urged the Soviet Union to match NATO's restraint and to reduce rather than increase the levels of its nuclear weapons.

Ministers supported the determination of the United States and the United Kingdom to maintain the deterrent capabilities of their strategic forces, while recognizing that only the strategic forces of the United States have the capability to provide the ultimate guarantee of security for all members of the Alliance. At the same time, they welcomed the proposals the United States has made in the Strategic Arms Reduction Talks to reduce the most destabilizing weapons and to reduce substantially the level of United States and Soviet strategic arms, including the "build-down" concept recently tabled in Geneva. Ministers agreed that such proposals could serve as the basis for an effective agreement which would enhance the stability and security of all countries concerned.

Ministers emphasized their determination to move ahead with the dual-track approach of modernization and arms control with respect to LRINF. They noted with satisfaction that the flight testing of both the Pershing II and Ground-Launched Cruise Missile (GLCM) in the United States had been successfully completed, that production of the missiles is on schedule and that the preparations in the European basing countries would permit initial operational capability, as planned. Ministers emphasized NATO's commitment and determination that, in the absence of a concrete arms control agreement obviating the need for that deployment, deployment of a mixed force of ballistic and cruise missiles as decided in the dual-track decision of 1979 will begin by the end of the year.

Ministers reaffirmed that the United States proposal in the INF negotiations, developed in close consultation with the Allies, to eliminate the entire category of United States and Soviet land-based longer-range INF missiles remains the best and most equitable outcome. They welcomed the continuing close consultations within the Alliance on the negotiations. Ministers fully supported the United States' offer of an interim agreement providing for United States and Soviet equality in missile and warhead numbers. They also supported the United States determination in Geneva to explore every proposed solution for an INF arms control agreement that meets the legitimate security concerns of the Alliance. The basic criteria of such an agreement are: significant reductions based on equality of rights and limits between the United States and the Soviet Union, no inclusion of or compensation for third-country systems, global limitations, no weakening of the United States contribution to NATO's conventional deterrence and defence, and effective verification.

Ministers welcomed the latest United States initiatives which address concerns that the Soviet Union has expressed in Geneva on aircraft, geographic scope and reductions of the Pershing II as well as cruise missiles. The Soviet Union has not yet demonstrated similar flexibility. Each Soviet modification of their original proposal made so far would have the same basic outcome: the prohibition of any NATO LRINF missile deployments while the Soviet Union retained a monopoly in such missiles. This is because of their insistence to take into account British and French forces and their refusal to accept the principle of equality in LRINF missile deployments. The Alliance cannot accept this Soviet approach which is apparently intended to further their long-term aim of dividing the Alliance and to erode seriously the linkage between the United States strategic deterrent and the defence of NATO Europe. This linkage is essential for NATO's security.

Ministers noted with attention the most recent Soviet proposals. The Soviets are invited to explain fully their proposals at the negotiating table. Ministers stated that NATO would continue to examine carefully all proposals in light of the Alliance's agreed criteria described above. As reported, however, the Soviet Union regrettably continues to insist on a monopoly in land-based LRINF missiles. The West has continued to negotiate for two years while the Soviet SS-20 build-up has continued. The Soviets therefore have absolutely no justification for breaking off negotiations as

NATO's deployment goes forward, as they have threatened. Ministers stressed that the Alliance commitment to negotiations would continue even after initial deployments and that they remain willing to reverse, halt or modify deployments—including the removal and dismantling of missiles already deployed—if and when a balanced, equitable and verifiable agreement is achieved in Geneva.

Ministers accepted with pleasure an invitation from Mr. U. Haluk Bayülken, the Turkish Minister of National Defence, to hold their next meeting in Turkey in Spring 1984.

The Danish Minister of Defence repeated Danish Government support for the double track decision but at the same time he recalled the motion passed by the Folketing on May 26.

Greece has expressed its views in a statement included in the minutes.

ANNEX

The Montebello Decision

At Montebello, Nuclear Planning Group (NPG) Ministers declared that the policy of the Alliance is to preserve the peace through the maintenance of forces at the lowest level capable of deterring the Warsaw Pact threat.

Consistent with this policy the Alliance since 1977 has been conducting analyses aimed at assuring that nuclear weapons in NATO's armoury are held to the minimum number necessary for deterrence, taking account of developments in conventional as well as nuclear forces.

On the basis of the initial results of these analyses, the Alliance decided in December 1979 that, unless obviated by successful negotiation with the Soviet Union, the development of longer-range weapons (Pershing II and cruise missiles) was essential to restoring the balance and maintaining the integrity of NATO's deterrent posture. The Alliance remains committed to the dual-track decision and its implementation. [69] At the same time Ministers decided to reduce the NATO stockpile by 1,000 warheads. This withdrawal has been completed. Moreover, Ministers mandated further analysis to determine whether the withdrawal of weapons beyond the 1,000 then decided could be accomplished safely, in a manner consistent with the maintenance of deterrence at the lowest possible level of weapons.

With the Alliance analysis now complete, the Nuclear Planning Group has decided on 27th October, 1983 to withdraw 1,400 warheads during the next several years. The Ministerial decision, taken together with the already accomplished withdrawal of 1,000 warheads will bring to 2,400 the total number of warheads to be removed from Europe since 1979. Moreover, this reduction will not be affected by any deployment of Longer-Range INF (LRINF) since one warhead will be removed for each Pershing II or Ground-Launched Cruise Missile (GLCM) warhead deployed.

The detailed implementation of this decision as to the precise composition of the stockpile is a matter for the responsible military authorities to determine and a programme to effect this will be worked out and implemented over the next five to six years. In this context, appropriate consideration will be given to short-range systems. NATO's military authorities should report their findings at a future NPG meeting.

Recognizing that for this minimum level stockpile to make the most effective contribution to deterrence, both the delivery systems and the warheads must be survivable, responsive and effective. Ministers accordingly identified a range of possible improvements. Ministers established broad criteria which will remain valid for the next decade, including the continuing importance of strengthening conventional forces. The Alliance must, however, take account at all times of changes to Soviet capabilities during this period.

Contrary to the impression that NATO has been fuelling an arms build-up by adding to its nuclear armoury, this sustained programme of reductions will have reduced NATO's nuclear stockpile to the lowest level in over 20 years. Ministers urged the Soviet Union to follow the example set by the Alliance, to halt and reverse its build-up of nuclear forces, and to join NATO in the search for a safer future.

[69] Greece has expressed its views in the minutes of the NPG at Montebello. [Footnote in the source text.]

Document 164

Address by President Reagan, Camp David, Maryland, October 29, 1983 [70]

Endorsement of NATO's Decision To Reduce Nuclear Weapons

My fellow Americans, before getting into today's subject I would just like to say a heartfelt word of thanks to all of you for the thousands of wires and calls that have come in supportive of the actions of the last few days and, particularly, supportive and grateful to those young men in uniform who are performing so magnificently.

Now, today I'd like to talk about a very important decision that was made Thursday by the Defense Ministers of the North Atlantic Treaty Organization or NATO, [71] as it's commonly called. This decision has great importance for us and for the NATO Alliance as a whole because it addresses the future size and composition of our shorter-range nuclear forces in Europe.

As you know, we're negotiating with the Soviets in Geneva on the longer-range missiles. The current imbalance on those systems is over 350 to 0 in their favor.

But with regard to the shorter-range missiles, the tactical missiles, I think you'll be very pleased with today's news. But, first, a little background.

The nuclear forces in Europe are fundamental to our overall strategy of deterrence and to protecting our allies and ourselves. The weapons strengthen NATO and protect the peace because they show that the alliance is committed to sharing the risks and the benefits of mutual defense.

Just by being there, these weapons deter others from aggression and, thereby, serve the cause of peace. Unfortunately, we must keep them there until we can convince the Soviets and others that the best thing would be a world in which there is no further need for nuclear weapons at all.

The alliance's goal, as General Rogers, NATO's Supreme Allied Commander for Europe, has so often said is to maintain no more military forces than are absolutely necessary for deterrence and defense.

In December of 1979, NATO reached a decision to reduce immediately the number of shorter-range nuclear weapons stationed in Europe. In 1980, we carried out that decision by removing 1,000 of these weapons. The same decision also committed the Alliance to a further review of the remaining systems of this category, and that brings us to our decision of Thursday.

Drawing on the recommendation put forward by a special, high-level study group, the NATO Defense Ministers decided that in addition to the 1,000 nuclear weapons which we withdrew in 1980, the overall size of the NATO nuclear stockpile could be reduced by an additional 1,400 weapons.

When these 2,400 weapons have been withdrawn, the United States will have reduced its nuclear weapons in Europe by over one-third from 1979 levels, and NATO will have the lowest number of nuclear weapons in 20 years. What this means is that the alliance will have removed at least five nuclear weapons for every new missile warhead we will deploy if the negotiations in Geneva don't lead to an agreement.

This step taken by the alliance as a whole stands in stark contrast to the actions of the Soviet Union. The Soviet leaders have so far refused to negotiate in good faith at the Geneva talks.

Since our 1979 decision to reduce nuclear forces, the Soviet Union has added over 600 SS–20 warheads to their arsenal. Coupled with this, they offer threats and the acceleration of previous plans, which they now call "countermeasures," if NATO carries through with its deployment plan, intended to restore the balance.

The comparison of Soviet actions with NATO's reductions and restraint clearly illustrates once again that the so-called

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[70] Source: White House Press Release, October 29, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, November 7, 1983, pp. 1507–1508. The President spoke on nationwide radio at 12:06 p.m.

[71] See *supra*.

"arms race" has only one participant, the Soviet Union.

On Thursday, NATO took a dramatic and farreaching decision, a decision that puts us a giant step along the path toward increased stability in Europe and around the world. As we reduce our nuclear warheads in Europe, and of equal importance, take the necessary actions to maintain the effectiveness of the resulting force, we will continue in the future what we've accomplished so well in the past, to deter Soviet aggression. We seek peace and we seek security and the NATO decision serves both.

Now, let me bring you up to date on the negotiations in Geneva. Progress toward an equitable, verifiable agreement on the reduction of intermediate-range nuclear missiles has been slow to come. Most recently, I proposed three initiatives, which go a long way toward meeting important concerns expressed by the Soviet Union. By our actions in the talks we have insured that all of the elements of a mutually advantageous agreement are on the table. The Soviet Union has now advanced some additional proposals of its own. We'll study these proposals and will address them in the talks in Geneva.

Unfortunately, the Soviet proposals permit them to retain SS-20 missiles while not allowing NATO to deploy its own. The proposals are also coupled with an explicit threat to break off the Geneva talks.

I hope that the Soviet Union is truly interested in achieving an agreement. The test will be whether the Soviets, having advanced their latest proposals, decide finally to negotiate seriously in Geneva.

For our part, we continue to seek an equitable and verifiable agreement as quickly as possible. We will stay at the negotiating table for as long as necessary to achieve such an agreement.

Thank you for listening and God bless you.

Document 165

Statement by President Reagan, November 23, 1983 [72]

Soviet Decision To Discontinue Intermediate-Range Nuclear Forces Negotiations

I deeply regret that the Soviet Union has chosen to discontinue the present round of Intermediate-Range Nuclear Forces negotiations in Geneva. While their decision did not come as a surprise, it is a terrible disappointment. The search for an agreement to reduce nuclear weapons is so important to people everywhere that the effort cannot be abandoned.

Common sense demands that we continue. We have negotiated for 2 years while the Soviets have continued to deploy their SS-20 missiles. There is no justification for their breaking off negotiations just as NATO is beginning to restore the balance. The United States will never walk away from the negotiating table. Peace is too important.

We are prepared to resume the talks at once. The initiatives we have placed on the negotiating table have only one objective: To reach a fair agreement that reduces the level of nuclear arms. The United States and its NATO Allies are united in our commitment to succeed.

We have no higher priority than the reduction of nuclear weapons. Arms reductions are the only sound course to a safer future. We seek sound and verifiable agreements that meet the legitimate security interests of both sides.

We are continuing other negotiations with the Soviet Union: on strategic arms reductions, on the reduction of conventional forces in Europe, on a chemical weapons ban and, soon, on confidence-building measures aimed at preventing military surprises in Europe.

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[72] Source: White House Press Release, November 23, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, December 5, 1983, p. 1617.

The people of the world deserve and want our negotiations to succeed. We look forward to the day when the Soviet Union hears their call and returns to the INF negotiating table. Our negotiations have been on the right course. We must persevere if we are to serve the cause of peace.

Document 166

Final Communiqué Issued by the Defense Planning Committee of the North Atlantic Treaty Organization, Brussels, December 7, 1983 [73]

Deterrence and Arms Control As Integral and Complementary Parts of Alliance Security Policy

1. The Defence Planning Committee of the North Atlantic Treaty Organisation met in Ministerial Session in Brussels on 6th and 7th December 1983.

2. Ministers reaffirmed that NATO preserves the peace, freedom and security of its members through the maintenance of military forces sufficient to deter aggression and through policies designed to promote stable international relations. The strength of the Alliance derives from the cohesion and solidarity of its members in pursuing these common objectives.

3. NATO is a defensive alliance and is committed to preserve the peace at the lowest level of forces capable of deterring the Warsaw Pact threat. In this respect Ministers recalled the recent Alliance decision at Montebello to withdraw 1,400 nuclear warheads from Europe. [74] This decision, taken together with the withdrawal of 1,000 warheads in 1980, will bring to 2,400 the total number of warheads to be removed from Europe since 1979. The resulting stockpile will be the lowest in Europe for some 20 years. Furthermore any deployment of land-based LRINF missiles will be matched by one for one withdrawals. This is in clear contrast to the relentless Soviet buildup. Ministers urged the Soviet Union to match NATO's restraint and to reduce rather than continue to increase the levels of its nuclear weapons.

4. Deterrence and arms control are integral and complementary parts of the security policy of the Alliance. Both are fundamental to NATO's long-standing objectives of safeguarding the peace and pursuing, through dialogue and mutually advantageous co-operation, a constructive East-West relationship aimed at genuine détente. Therefore, while seeking a stable balance at lower levels of forces through militarily significant, equitable and verifiable arms control agreements, NATO must continue at the same time to provide the capabilities necessary to ensure deterrence of aggression by means of a strong defence.

5. The security of the Alliance depends on the maintenance of a stable military balance: this balance has been gravely disturbed by the relentless Soviet deployment of SS-20 missiles. Ministers emphasized their determination to move ahead with the dual-track approach of LRINF modernization and arms control as offering the opportunity to redress this imbalance and reaffirmed that this approach remains the most effective way of safeguarding the security of the Alliance.

—They noted with great regret that the Soviet Union had unilaterally ended the latest round of the INF negotiations in Geneva without agreeing on a date for their resumption. There is no justification for this action by the Soviet Union, which has, during the course of the negotiations since the United States proposed to eliminate this entire class of weapons, expanded its SS-20 force by over 300 warheads. Ministers emphasized their desire that the negotiations be resumed as soon as possible to achieve an agreement on equal global limits on United States and Soviet LRINF missile warheads at reduced levels, preferably zero for both sides.

—They reaffirmed that NATO is prepared, in accordance with the terms of any INF agreement that may be reached, to halt, modify or reverse its deployments, which are now underway in conformity with the 1979 decision.

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[73] Source: *NATO Review*, Vol. 31, No. 6, 1983, pp. 25–26. Secretary of Defense Weinberger represented the United States at the Meeting of Defense Ministers held in Brussels December 6–7, 1983.

[74] See document 163.

—They welcomed the continuing close consultations within the Alliance on INF negotiations. The intensity of these consultations has reflected the cohesion of the Alliance. They stressed that Alliance firmness in resolutely carrying out the dual-track decision was a major factor in bringing the Soviet Union to the negotiating table and will continue to be a critical factor in inducing the Soviet Union to recommence INF negotiations in a serious fashion. [75]

6. Ministers welcomed the proposals the United States has made in the Strategic Arms Reduction Talks to reduce the most destabilizing weapons and to reduce substantially the level of United States and Soviet strategic arms, including the build-down concept recently tabled in Geneva. Ministers re-emphasized their support for the United States position in the talks, on which they have been kept fully informed, and welcomed the United States initiatives to move the talks forward. Ministers reaffirmed the need to strive for a mutually acceptable solution to the issues still barring progress in the Mutual and Balanced Force Reductions (MBFR) talks in Vienna. They also stressed the importance they attach to the Conference on Confidence and Security Building Measures and Disarmament in Europe (CDE) as an opportunity to negotiate politically binding, militarily significant and verifiable measures which will cover the whole of Europe and which would increase confidence and security and reduce the threat of surprise attack.

7. Ministers noted with concern the pace of modernization of Warsaw Pact forces across the entire spectrum, strategic to conventional. In the face of this steady accumulation of Soviet military power, the Alliance must take the necessary measures to preserve the security of its peoples. NATO's strategy of flexible response and forward defence remains valid and continues to be the basis for NATO defence. This requires a balanced triad of forces: the strengthening of the conventional component is particularly urgent. Against this background Ministers discussed the results of the 1983 Annual Defence Review and adopted the NATO Force Plan for 1984–1988. Ministers welcomed the progress achieved by nations, and agreed to do their utmost to make available the resources needed for the essential enhancement of their deterrent and defence forces.

8. They recognized that in current economic circumstances achieving the required improvements to NATO's defence posture constitutes a considerable challenge. It is imperative that national consideration of any change to existing commitments takes into account Alliance needs and priorities. The best use of scarce resources remains a central problem. Improvements to the combat capability and effectiveness of NATO's conventional forces must be achieved.

9. In this context Ministers emphasized the importance of making the most effective use of available resources and of exploiting NATO's technological strength through greater emphasis on:

—co-operation and co-ordination in defence planning and in the field of research, development and production;

—improved co-ordination of NATO infrastructure planning to bring support facilities more into line with the projected needs of NATO forces, at the same time as providing an appropriate level of funding to ensure their operational effectiveness;

—a more effective and balanced framework of transatlantic co-operation;

—the potential offered by technologies, available or emerging, to make substantial and yet affordable improvements in the conventional defence of the Alliance particularly within the context of the two-way street;

—the establishment of priorities based on the application of rigorous criteria of military value and cost effectiveness;

—adequate use of the industrial capabilities of member countries in the field of defence equipment;

—effective steps to restrict the transfer of militarily relevant technology to the Warsaw Pact.

Ministers acknowledged progress made in the appropriate NATO bodies towards co-ordinating national efforts generally and in ensuring the successful exploitation of emerging technologies.

[75] Denmark and Greece reserve their positions on paragraph 5. [Footnote in the source text.]

10. Ministers again stressed the importance of Greece, Portugal and Turkey having adequate Allied assistance to carry out their missions more effectively to the advantage of all. Ministers agreed that despite commendable efforts by some Allies more aid, and by more nations, is essential.

11. While the purpose of NATO is to preserve the security of the North Atlantic Treaty area, Ministers again acknowledged that developments outside the NATO Treaty area might threaten the vital interests of members of the Alliance. They recalled their agreement to take full account of the effect of such developments on NATO security, defence capabilities and the national interests of member countries and the need to consult and to share assessments on the basis of commonly identified objectives. They also recalled the Bonn Summit statements and re-endorsed their communiqué of June 1983 [76] which stated that on the basis of national decision: those countries, such as the United States, which have the means to take action, should do so in timely consultation with their Allies; there could be cases where other individual Allied nations would make an important contribution to the security of the Alliance by making available facilities to assist deployments needed to strengthen deterrence in such areas; and member nations, as they may decide, have a wide and diverse range of possibilities from which to choose in making useful contributions to promote stability and deterrence in regions outside the Treaty area involving vital Western interests.

12. Against the background of United States planning for its rapidly deployable forces and the implications for defence of the NATO area, Ministers noted work in progress to review measures necessary to maintain deterrent and defence capabilities within the NATO area and agreed that measures that could be taken by countries would be dealt with in the defence planning process, the next stage of which is the adoption of force goals in Spring 1984.

13. NATO's task of preserving peace and freedom and preventing war requires a full spectrum of credible military forces, a stable military balance and the strategy of flexible response. The firm support of the peoples of the Alliance and the provision and effective use of adequate resources are essential to fulfil these aims. While military strength alone cannot provide long-term security it provides the foundation for the development of peaceful relations through dialogue and communication.

The Minister of Defence of Spain informed the Defence Planning Committee about the review undertaken regarding Spanish participation in the Alliance and in consequence reserved his Government's position on the present Communiqué.

[76] For texts of the three statements issued by the North Atlantic Council at its summit meeting in Bonn June 10, 1982: the Declaration, the document on Arms Control and Disarmament, and the document on Integrated NATO Defense, see *American Foreign Policy: Current Documents, 1982*, pp. 486–490.

Document 167

Statement Issued by the Foreign Ministers at the North Atlantic Council Meeting, Brussels, December 9, 1983 [77]

Declaration of Brussels: A Call For "Comprehensive Political Dialogue" and "Cooperation" With Soviets

We, the representatives of the sixteen member countries of the North Atlantic Alliance, reaffirm the dedication of the Allies to the maintenance of peace in freedom.

Our Alliance threatens no one. None of our weapons will ever be used except in response to attack. We do not aspire to superiority, neither will we accept that others should be superior to us. Our legitimate security interests can only be guaranteed through the firm linkage between Europe and North America. We call upon the Soviet Union to respect our legitimate security interests as we respect theirs.

[77] Source: *NATO Review*, Vol. 31, No. 6, 1983, p. 24. Secretary Shultz attended the meeting of the North Atlantic Council in Brussels, December 8–9, 1983.

We are determined to ensure security on the basis of a balance of forces at the lowest possible level. Faced with the threat posed by the Soviet SS-20 missiles, the Allies concerned are going forward with the implementation of the double-track decision of 1979. The ultimate goal remains that there should be neither Soviet nor United States land based long-range INF missiles. The deployment of US missiles can be halted or reversed by concrete results at the negotiating table. In this spirit we wish to see an early resumption of the INF negotiations which the Soviet Union has discontinued. [78]

We urge the countries of the Warsaw Pact to seize the opportunities we offer for a balanced and constructive relationship and for genuine détente. In all arms control negotiations progress must be made among the states participating, in particular in:

—the Strategic Arms Reductions Talks (START);

—the Intermediate-range Nuclear Forces Talks (INF);

—the negotiations on Mutual and Balanced Force Reductions (MBFR);

—the endeavours for a complete ban on chemical weapons in the Committee on Disarmament.

We are also resolved to use the forthcoming Stockholm Conference as a new opportunity to broaden the dialogue with the East, to negotiate confidence building measures and enhance stability and security in the whole of Europe.

We shall continue to do our utmost to sustain a safe and peaceful future. We extend to the Soviet Union and the other Warsaw Pact countries the offer to work together with us to bring about a long-term constructive and realistic relationship based on equilibrium, moderation and reciprocity. For the benefit of mankind we advocate an open, comprehensive political dialogue, as well as cooperation based on mutual advantage.

[78] Denmark and Greece reserve their positions on this paragraph; Spain, not having been a party to the double-track decision of 1979, reserves its position on this paragraph. [Footnote in the source text.]

Document 168

Final Communiqué Issued by the North Atlantic Council, Brussels, December 9, 1983 [79]

Allies Reaffirmation of Commitment To Pursue Balance of Intermediate-Range Forces Through Arms Control Negotiations With Soviets

The North Atlantic Council met in Ministerial Session in Brussels on 8th and 9th December 1983. Ministers agreed as follows:

1. In the spirit of cohesion and solidarity, the Allies remain determined to safeguard their freedom and independence, to prevent war, and to build the foundations of lasting peace and security in the NATO area. They will maintain military strength adequate to guarantee their collective security. None of their weapons will ever be used, except in response to attack. They remain firmly committed to balanced and verifiable arms control at the lowest possible level of forces, and will work for greater stability and progress towards genuine détente in East-West relations.

2. The Allies remain resolved to deter aggression and attempts at intimidation. They will meet their legitimate security requirements with the conventional and nuclear forces necessary. They will devote resources and energy to the modernization of conventional forces, seeking a more effective and balanced transatlantic armaments co-operation. The Allies note with great concern that the Soviet Union continues its military build-up, which far exceeds defence needs, while promoting a concept of its own security which is unacceptable because it rests on maintenance of inequality in its favour. [80]

3. The Allies call on the Soviet Union to act with restraint and responsibility in its international behaviour and to co-operate

[79] Source: *NATO Review*, Vol. 31, No. 6, 1983, pp. 21-23.

[80] Greece expressed its views on the second part of the last sentence of this paragraph. [Footnote in the source text.]

with the West to promote a more constructive East-West dialogue aimed at reducing international tension. Rejecting any spirit of confrontation, the Allies reaffirm their determination to develop contacts and co-operation with the Warsaw Pact countries on the basis of mutual interest. While maintaining a firm and realistic attitude, the Allies would welcome any serious proposal aimed at restoring confidence between East and West. Ministers instructed the Permanent Council to undertake a thorough appraisal of East-West relations with a view to achieving a more constructive East-West dialogue and to report to the Ministerial Meeting in Spring 1984.

4. The Soviet Union bears a heavy responsibility in the current state of international relations. By its behaviour, as in Afghanistan and towards Poland, and by recourse to persecution of human rights supporters, it has created serious obstacles to the normal development of relations. [81]

5. The situation in Poland continues to give cause for serious concern. Some of the steps taken by the Polish authorities, such as the lifting of martial law and the amnesty for most political detainees, contrast with the introduction of other measures which reinforce a repressive system. The Allies call on the Polish authorities to respect the aspirations of the people for reform and to abide by the commitments in the Helsinki Final Act and the Concluding Document of the Madrid Conference, particularly with regard to trade union freedom and civil rights. They are ready to respond to steps which create the opportunity for constructive political and economic relations with the West.

6. The Allies condemn the Soviet Union's continuing and intensified aggression against Afghanistan in violation of the United Nations Charter and in flagrant disregard of repeated calls by the United Nations General Assembly. They deplore the terrible suffering inflicted upon the Afghan people by Soviet forces. The withdrawal of these forces is essential for a political settlement to restore Afghanistan's independence, sovereignty and non-aligned status; to permit the voluntary return of refugees; and to provide the opportunity for the Afghan people to exercise freely its right to self-determination.

[81] Greece expressed its views on the contents of this paragraph. [Footnote in the source text.]

7. Trade conducted on the basis of commercially sound terms and mutual advantage, that avoids preferential treatment of the Soviet Union, contributes to constructive East-West relations. At the same time, bilateral economic relations with the Soviet Union and the countries of Eastern Europe must remain consistent with broad Allied security concerns. These include avoiding dependence on the Soviet Union, or contributing to Soviet military capabilities. Thus, development of Western energy resources should be encouraged. In order to avoid further use by the Soviet Union of some forms of trade to enhance its military strength, the Allies will remain vigilant in their continuing review of the security aspects of East-West economic relations. This work will assist Allied governments in the conduct of their policies in this field. [82]

8. The successful conclusion of the Madrid Meeting contributes to the strengthening of the CSCE process. Although the Concluding Document agreed in Madrid falls somewhat short of the Allies' proposals, it is nonetheless substantive and balanced. The Allies attach equal importance to the implementation by all the CSCE countries of all provisions of both the Helsinki Final Act and the Madrid document, including their humanitarian aspects. An important result of the Madrid meeting was the agreement on a precise negotiating mandate for the Conference on Confidence and Security Building Measures and Disarmament in Europe (CDE) due to open in Stockholm in January 1984.

9. Since peace can and must be made more secure through equitable and verifiable agreements on disarmament and arms control, as well as through a balance of forces, the Allies have put forward a comprehensive series of proposals in this field. Their commitment to ensure security at the lowest possible level of forces was recently demonstrated by the member countries of the Nuclear Planning Group announcing at Montebello the withdrawal of 1,400 nuclear warheads from Europe, in addition to the reduction of 1,000 in 1980. [83] The resulting stockpile will be

[82] Greece recalled its position on various aspects of this paragraph. [Footnote in the source text.]

[83] See document 163.

the lowest in Europe for some twenty years. The Allies urge the Soviet Union to contribute to disarmament efforts in a concrete way and not to substitute declaratory proposals for deeds.

10. Ministers underline that the two-track decision of December 1979 by Allies concerned demonstrates the commitment of the Alliance to preserve peace and stability at the lowest possible level of forces. The Allies concerned reaffirm their commitment to pursue a balance of intermediate-range forces through arms control negotiations with the USSR. The progress report of the Special Consultative Group provides a comprehensive account of United States efforts, on the basis of close consultations with other involved Allies, to achieve such an agreement.

Unfortunately, the negotiations in Geneva have not yet achieved concrete results, due to the Soviet effort to maintain their monopoly of long-range land-based INF missiles. Deployments of Pershing II and ground launched cruise missiles are thus proceeding in accordance with the December 1979 decision. Building on progress already achieved in Geneva, an agreement eliminating this entire category of United States and Soviet weapons, or at a minimum, limiting them to the lowest possible level, remains attainable. Allies concerned stress their willingness to continue negotiation and to halt, modify, or reverse the deployments now underway, on the basis of such an agreement. These Allies will continue to consult closely on steps directed toward achievement of this objective.

The Allies note with regret the unjustified Soviet decision to leave the negotiating table in Geneva. The United States has negotiated over the past two years while Soviet deployments of SS-20s have grown by over 300 warheads. The Allies believe that the Soviet Union shares an interest with the United States in reducing nuclear weapons through negotiated agreement. The Allies therefore call for bilateral negotiations on intermediate-range nuclear forces to resume as soon as possible. [84]

11. The Allies fully support the United States efforts in the Strategic Arms Reduction Talks (START), and they welcome the recent American initiatives which provide the basis for a significant build-down of US and Soviet strategic weapons. In particular, the United States has indicated its willingness to discuss trade-offs in areas of each side's particular interest and advantage in order to achieve an equitable agreement which promotes stability. The Allies call on the Soviet Union to respond to these initiatives in a positive spirit. In this connection they note with regret the recent Soviet failure to agree to a specific date for the opening of the next round of the talks.

12. The Conference on Confidence and Security Building Measures and Disarmament in Europe (CDE) is an important part of the CSCE process and provides new possibilities for increasing security throughout Europe. Allied countries will table a comprehensive package of concrete measures, in conformity with the mandate agreed in Madrid, designed to promote military openness in order to increase confidence and security and reduce the risk of surprise attack. They are resolved to negotiate actively for an early agreement on politically binding, militarily significant and verifiable measures which will cover the whole of Europe. As a sign of their determination, Ministers will themselves attend this Conference.

13. The Allies participating in the Mutual and Balanced Force Reductions (MBFR) talks reaffirm their determination to work for a mutually acceptable solution to the issues still barring progress. The Western draft Treaty presented last year provides a basis for a sound agreement. These Allies hope that the most recent Eastern statements indicate a new willingness to address the long standing basic issues of the Vienna negotiations and they are reviewing the state of these negotiations also in the light of these statements.

14. In the Committee on Disarmament, the Western participants continue to strive for concrete disarmament agreements. They consider as a priority task for this Committee the elaboration of a verifiable agreement banning the development, production and stock-piling of all chemical weapons.

The Allies remain gravely concerned about strong evidence of continued use of chemical weapons in South East Asia and Afghanistan, in violation of international law, and of Soviet involvement in the use

[84] Denmark and Greece reserve their positions on this paragraph. [Footnote in the source text.]

of such weapons.[85] They welcome the fact that the United Nations is continuing to develop procedures to investigate allegations of the use of chemical weapons.

In the context of efforts aimed at the prevention of an arms race in outer space, the Allies have also proposed in the Committee on Disarmament that the existing international law concerning the peaceful use of outer space be reviewed.

15. The maintenance of a calm situation in and around Berlin remains of fundamental importance to East–West relations. This continues to depend in particular on the strict observance and full implementation of the Quadripartite Agreement of 3rd September 1971. The Allies hope that the further development of co-operation between the Federal Republic of Germany and the German Democratic Republic will benefit Berlin and the people in both states in Germany and will strengthen peace in Europe in the current state of international relations.

16. The Allies urge respect for the sovereignty of states everywhere and for genuine non-alignment. They recognize that events outside the Treaty area may affect their common interests as members of the Alliance. They will engage in timely consultations on such events, if it is established that their common interests are involved. Sufficient military capabilities must be assured in the Treaty area to maintain an adequate defence posture. Allies who are in a position to do so will endeavour to support those sovereign nations who request assistance in countering threats to their security and independence. Those Allies in a position to facilitate the deployment of forces outside the Treaty area may do so, on the basis of national decision.

17. The Allies condemn terrorist acts, which are a threat to democratic institutions and to the conduct of normal international relations. Recalling the relevant provision of the Bonn Declaration, they reiterate their determination to take effective measures for the prevention and suppression of such criminal acts.

18. The Allies recall their commitment under Article 2 of the North Atlantic Treaty and reaffirm the importance of programmes intended to benefit the economies of less favoured partners.

19. Ministers noted with regret the intention of Secretary General Dr. Joseph Luns to relinquish his post. They invited Lord Carrington to become Secretary General of the Organisation as from 25th June 1984 and expressed satisfaction at Lord Carrington's acceptance.

20. The Spring 1984 meeting of the Council in Ministerial Session will be held in Washington in May.

The Minister of Foreign Affairs of Spain informed the North Atlantic Council about the review undertaken regarding Spanish participation in the Alliance and in consequence reserved his Government's position on the present communiqué.

[85] Greece recalls its position as it has been expressed during the previous Ministerial sessions. [Footnote in the source text.]

Document 169

Transcript of a Press Briefing by the Secretary of State (Shultz), December 14, 1983 (Extracts) [86]

NATO Foreign Ministers' Meeting "Projected Both the Sense of Strength" and "Reasonableness" As Well As "Readiness To Negotiate"

SECRETARY SHULTZ. I thought I might just say a word about impressions from around a week in Europe and North Africa, and then we could have a discussion.

The principal reason for the trip, of course, was the NATO Foreign Ministers' meeting. Coming as it has after the deployments have started in the basing countries, it was an especially interesting meeting and I think notable meeting.

[86] Source: White House Press Release, December 14, 1983, Office of the Press Secretary to the President. This briefing took place in the Old Executive Office Building at 12:31 p.m. Secretary Shultz had just returned from a trip to Europe and North Africa, December 6–13, 1983, where he visted Bonn, Brussels, Tunis, Rabat, and Lisbon.

Because the alliance in the face of very strong-armed and almost bullying tactics on the part of the Soviet Union has quietly kept its cool, gone ahead, shown its cohesion and determination and having done so, and being determined to keep doing so, nevertheless does it in I think a mature way rather than kind of exultant, saying, "Well, what else did you expect," kind of attitude. I thought it was wonderful.

And there was at the same time a total agreement that the right way for us to proceed as a group of free countries is to look to our strength and determination, but at the same time be sure that our positions are reasonable as they are, and to do everything we can to be sure the Soviet Union realizes that we are ready to have a constructive dialog with them, a dialog that can be to our mutual advantage, not a dialog that is simply to the Soviet advantage and not to ours. And therefore the alliance continued to reject the Soviet proposition that an equitable answer for instance on intermediate-range missiles would be for them to have some large number and for us to have none. That didn't strike anybody any better then than it has over the past months of negotiation.

But it was an excellent meeting, and it projected both the sense of strength and the sense of reasonableness and readiness to negotiate. We had a meeting with the members of the European Commission to talk about economic relations between the United States and Europe. And, of course, there are a number of prickly issues, the most difficult, undoubtedly, having to do with agriculture. Nevertheless, I think it was also apparent to everyone that here we have a $90 billion two-way flow of trade between the United States and Europe and that represents something that's of tremendous advantage to both. Otherwise, it wouldn't take place.

And so as we work on these issues, and fight about them, and argue about them, we have to do so in a manner that recognizes the importance of this great, big $90 billion bundle of things that are good. And so, we had, I think, by and large, a constructive meeting. I think the Europeans that I talked to, on the whole, were more downcast about their meeting in Athens where almost in an unprecedented way of meeting of heads of state wound up without an agenda, without a communiqué, or any agreement on anything.[87]

I said, I thought, to some extent, it was refreshing that they agreed to disagree. They aired their differences, and they hadn't been able to resolve them, so they didn't try to make the world think that they had. That's, perhaps, a mark of a certain maturity, as long as it doesn't continue on too long. And at the same time, having been in lots of international meetings where all you do is argue about a communiqué, the lack of one was a fresh breeze.

At any rate, I think that, as far as the United States is concerned, of course, their internal problems are their problems. And all we said was, you're going to have to solve them, but don't solve them at our expense. That's all we ask. But it was a constructive meeting.

. . . . . .

[Q.] Do you have any plans, at this point, to make any affirmative moves to resume arms control talks with the Soviets, to start this constructive dialog? Are we still waiting for them to do something first now?

SECRETARY SHULTZ. Our position is that we have proposals on the table in all of the arms control talks. We believe our positions are reasonable. Our negotiators are there and our posture is one of give and take, ready to negotiate. And so, that is a reasonable posture and we feel that that's where we should be. And the fact that they have left the INF talks shouldn't cause us to change that posture. We shouldn't become unreasonable, nor should we say, "Well, now that you've left the talks, we'll give in to what you want", because what they have wanted is not reasonable.

So we remain in this posture. As far as the START talks are concerned and the MBFR talks, the statements they have made are different from those in INF. In the START talks, for example, what they did—in MBFR, too—was decline to set a date when the talks would be resumed,

[87] Leaders of the ten European Community Nations met in Athens, December 4–6, 1983, but failed to reach agreement on a plan for reforming the finances of the organization.

and it may be that they will say, there isn't any such date. But there's a very careful distinction between saying, "These talks are ended", and saying, "Well, we can't decide now whether a resumption date of whatever it might be is a good date for us."

Typically, in these talks, of course, when a round, so-called, ends, at the end of the round, the negotiators agree on when the next round will start and the date is set. So that's different. But in the START talks, for example, we have had a lot of very interesting proposals put on the table by the President's decisions a couple of months ago, and really, they haven't had any kind of a response to them.

I think it's fair to say that their attention has been concentrated on the intermediate range issues and the deployments in Europe. So we really haven't seen the kind of response you'd normally expect in a negotiation in START. Once again, I think our position is reasonable. We're ready to negotiate with them, and that is our position.

There is a meeting on January 17th in Stockholm, so-called CDE talks. And these are talks essentially on confidence-building measures and notifications of troop movements and things of that kind in Europe taking Europe in its whole. The agreement to hold this conference was joined in by the Soviet Union and the Warsaw Pact countries at the conclusion of the Madrid negotiations last September. In the case of our allies, we all decided that this was important enough so that we should in a sense send the political message to those negotiations of their importance and do so by agreeing as foreign ministers that we would all go to the opening session. So the opening session of these talks will be attended by all of the foreign ministers of the NATO Allies, including me. And of course we don't know whether the Soviet Union will be represented by Mr. Gromyko or not. But at any rate, I have said that if he is there, I am prepared to meet with him.

But what we can do is be reasonable, be there, be ready to talk, but talk sense. But what they do, of course, is for them to decide. We hope that they will be sensible in this time of tension and be ready to talk in reasonable terms now that they see that the tactic of trying to scare the daylights out of Europe just hasn't worked.

. . . . . .

B. Canada

Document 170

Statement by Vice President Bush, Ottawa, March 23, 1983 [1]

"Our Bilateral Relationship as a Whole Remains Sound"

The warmth of my welcome has been heartwarming, and the hospitality has been superb. My discussions with the Prime Minister, Minister MacEachen and other Cabinet members and senior officials on many issues have been fruitful.

The primary purpose of my visit has been to consult with the Government of Canada on nuclear arms and related security issues which confront both our countries as North American allies and as members of the NATO alliance. The United States values highly Canada's counsel as a neighbor, as an ally, and as a friend. The visit also gave me the opportunity to review the state of our bilateral relations in general.

I think it fair to say that both countries stand in fundamental agreement on the crucial aspects of the defense and arms control issues that face us; that is, we agree on the wisdom and necessity of continuing to pursue the dual policy of enhancing the alliance's deterrent capability on the one hand while negotiating to reduce the level of nuclear armaments on the other. We agree that this approach

[1] Source: Department of State *Bulletin*, June 1983, p. 7. For text of the Vice President's arrival statement in Ottawa, see *ibid.* The Vice President traveled to Ottawa for a series of high-level discussions on the NATO alliance and various bilateral issues of mutual concern with Canada.

represents the only practical and prudent means of ensuring peace in the world.

Our bilateral relationship as a whole remains sound. Differences persist on some issues, but these are being addressed in the spirit not only of frankness but of friendliness that traditionally characterizes our dealings.

Let me close these remarks by reiterating my deep appreciation to my Canadian hosts for their kind hospitality. This visit has reaffirmed the importance and closeness of the enduring friendship between our two countries.

Document 171

Statements by President Reagan and Canadian Prime Minister Trudeau, April 28, 1983 [2]

U.S.-Canadian Relations

THE PRESIDENT. I have just concluded a productive meeting and lunch with Prime Minister Trudeau and the other representatives of the Canadian Government. There's no country for whom the people of the United States feel a deeper affection than your own, Mr. Prime Minister, and I'm particularly pleased that you and your colleagues were able to come at this time.

Our talks touched on a number of issues of mutual concern to the people of our two countries. We discussed our search for solutions to economic problems facing Canada and the United States as well as the less fortunate countries and our efforts to achieve peace and security throughout the world. We also examined several pressing bilateral issues.

I'm pleased that we continue to approach these areas of common concern in a cooperative spirit based on our shared democratic values and traditions. The Prime Minister and I agree that challenges also present opportunities and can be used as stepping stones toward a secure and prosperous world that we both seek. Much of our discussion today focused on the upcoming Williamsburg summit and we agreed that this meeting comes at an opportune moment. The Western economies are pulling out of the serious recession and we're seeking ways to ensure continued progress. The Prime Minister and I are confident of an open and free exchange at Williamsburg, that it will contribute to a better understanding and encourage the creative approaches for economic cooperation.

We discussed the importance of resisting protectionist pressures and maintaining the open trade and investment policies that have served us so well. The issue of security was also a part of our discussions. I outlined the need to maintain an effective deterrent force and to achieve real movement toward the reduction of nuclear weapons. The Prime Minister was supportive and emphasized Canada's earnest hope that the talks in Geneva will lead to a safer world.

We also discussed the need for progress in strengthening measures to prevent nuclear proliferation including the importance of having other supplier states adopt the comprehensive safeguards for—export requirement. And this is the eighth time since taking office that I've had the pleasure of meeting with Prime Minister Trudeau, and as always I welcomed his counsel. And I look forward to our future meetings and delighted to have you here again, Mr. Prime Minister.

PRIME MINISTER TRUDEAU. Mr. President, you have set out the agenda of our talks very thoroughly. I don't think I can add or subtract from it. I would perhaps, following another track, suggest that on the arrangements for Williamsburg I was particularly happy that you confirmed to me that you would be determined, as you said you would be, to ensure that the talks at Williamsburg were unstructured and, hopefully, that we won't be meeting in order to justify an agenda and a communiqué that other people had written for us beforehand, but that we would be meeting there much in the spirit that you and I have been meeting these past hours to really exchange ideas, to get to the bottom of our feelings so that we can contribute—and it would be the first time, I

[2] Source: White House Press Release, April 28, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, May 2, 1983, pp. 615–616. The statements were made by President Reagan and Prime Minister Trudeau upon the departure of the Prime Minister at 1:31 p.m. from the Diplomatic Entrance of the White House.

think, in a spontaneous way at these summits—contribute to the building of a consensus, rather than, once again, trying to talk in a way that's said that our Sherpas had prepared a consensus before. And they wrote a communiqué, and we were trying to live up to it.

And that is what I find very exciting about this coming Williamsburg summit, that the material arrangements that you are taking and your intentions, as you expressed them to me, do lead me to hope that on economic matters, first, that we will really be asking each other questions and looking together for creative answers on the various problems you've mentioned, including the most serious overriding problem of the world trade and payment system, including the effect of the huge Third World debt now on our own coming prosperity.

We, too, believe that the economy has turned around, that this is our duty to make sure that at Williamsburg that that recovery is lasting and deep and not just another hope in people's minds.

You mentioned our discussions on security. I'm happy to repeat that the two-track policy, the NATO two-track policy, is being followed, I believe, by your government, sir, and, certainly, by the other NATO governments in that we are every bit as determined to make the effort to reduce the number and strength of the SS-20's, which are aimed at Western Europe—negotiations to get a reduction or, hopefully, even the disappearance of those as are our efforts to ensure that the other track, the one of the deployment of the Pershing-II's and of the land-based cruise missiles is followed. In other words, I've been encouraged by the steps that you've taken, Mr. President, in the past months when you proposed an interim solution different from the zero-option, when you proposed a series of confidence-building measures. [3]

I think these are all initiatives which we need in NATO so that our people will understand that we want peace and that we're not determined to escalate any arms race. We're more determined to seek ways of reaching lasting peace and that that is very much part of our politics and, as I say, I've felt encouraged by the steps that your administration, sir, has taken in the last few weeks.

I could go on, but I won't. (Laughter) I'll get a sunburn if I do.

[3] For President Reagan's statement on the proposed interim agreement, March 30, 1983, see *Weekly Compilation of Presidential Documents*, April 4, 1983, pp. 478–480. The President delivered this speech at 10:01 a.m. before North Atlantic Alliance Ambassadors and administration officials gathered in the East Room of the White House.

Document 172

Statement Issued by the Department of State, June 28, 1983 [4]

U.S. Pleadings to International Court of Justice in Gulf of Maine Maritime Boundary Dispute

On June 28, 1983 the United States filed its second written pleading (Counter-Memorial) with the International Court of Justice in the The Hague in the "Case Concerning the Delimitation of the Maritime Boundary in the Gulf of Maine Area" between Canada and the United States. Canada also filed its second pleading on the same date. The first written pleading (Memorial) was filed with the Court by both the United States and Canada on September 27, 1982. [5]

The case is before the Court as the result of a boundary settlement treaty between the United States and Canada which entered into force on November 20, 1981. [6] A Chamber of five judges has been established by the Court to hear the case. The Members of the Chamber are Judge Roberto Ago of Italy, as President, Judge Andre Gros of France, Judge Hermann Mosler of the Federal Republic of Germany, Judge Stephen Schwebel of the United States, and Judge ad hoc Maxwell Cohen of Canada.

[4] Source: Department of State Press Release 236, June 28, 1983; also printed in Department of State *Bulletin*, August 1983, p. 58.

[5] Regarding this pleading, see *American Foreign Policy: Current Documents, 1982*, p. 717.

[6] For full text of the treaty, see TIAS 10204.

The Court will establish the single maritime boundary between the two countries that will divide their continental shelf jurisdictions and 200-nautical-mile fishery zones in the Gulf of Maine area. That boundary will also delimit the 200-nautical-mile exclusive economic zone of the United States in the Gulf of Maine area. At stake is approximately 15,000 square nautical miles of resource-rich ocean off the New England coast. This Atlantic area includes rich fisheries developed by the United States on Georges Bank, a site of significant cod, haddock, scallop and other catches. The Bank may also contain valuable oil and gas resources.

The boundary proposed by the United States claims United States jurisdiction over all of Georges Bank. New England fishermen developed the fisheries of Georges Bank during the 19th century and fished the area exclusively until the late 1950s when an influx of foreign fishermen began. Over the last 200 years, the United States has undertaken the primary responsibility for surveying and charting the area, the maintenance of other navigational aids, the provision of search and rescue services, the conduct of scientific research, and defense. The boundary proposed by the United States respects the natural divisions in the marine environment of the area by taking into account the Northeast Channel, which separates the Georges Bank ecological regime from the separate ecological regime of the Scotian-Shelf.

One further round of written pleadings may be submitted. Oral argument is currently contemplated to be scheduled in early 1984.

The Agent of the United States directing the case is Davis R. Robinson, the Legal Adviser of the Department of State. The Agent for Canada is L.H. Legault, Legal Adviser to the Department of External Affairs. A chart depicting the boundary claimed by the United States is attached. [7]

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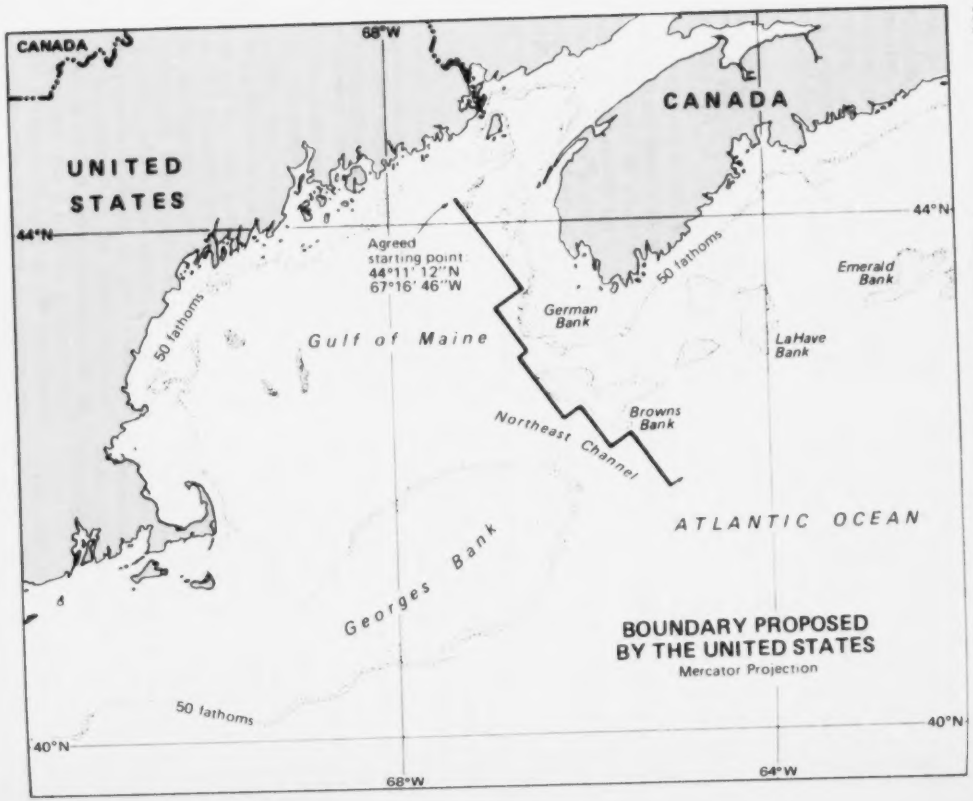
[7] The accompanying map, reproduced from Department of State *Bulletin*, August 1983, p. 58, is similar to the chart attached to the source text and contains the identical boundary proposed by the United States.


CANADA
68°W
CANADA
UNITED
STATES
44°N
44°N
Agreed
starting point
44°11' 12"N
67°16' 46"W
50 fathoms
50 fathoms
Emerald
Bank
German
Bank
Gulf of Maine
LaHave
Bank
Browns
Bank
Northeast Channel
ATLANTIC OCEAN
Georges Bank
BOUNDARY PROPOSED
BY THE UNITED STATES
Mercator Projection
50 fathoms
40°N
40°N
68°W
64°W

Document 173

Statement Issued by the Department of State, December 9, 1983 (Extract) [8]

U.S. Reply Filed With the International Court of Justice in the Gulf of Maine Maritime Boundary Dispute

On December 12, 1983, the United States filed its third written pleading (Reply) with the International Court of Justice in The Hague in the "Case Concerning the Delimitation of the Maritime Boundary in the Gulf of Maine Area" between Canada and the United States. Canada also filed its third pleading on the same date. The first and second written pleadings (Memorial and Counter-Memorial) were filed with the court by both the United States and Canada on September 27, 1982, and June 28, 1983, respectively.

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Document 174

Statements by President Reagan and Canadian Prime Minister Trudeau, December 15, 1983 [9]

Concerns for World Peace and Amelioration of the East-West Dialog

THE PRESIDENT. The Prime Minister and I have just concluded a very useful and a wide-ranging discussion of some of the most crucial issues that are facing the people of Canada and the United States—indeed, facing people everywhere. Prime Minister Trudeau briefed me on his recent discussions with leaders in Europe and Asia, on his concerns for world peace and disarmament, and improving the East-West dialog.

We fully share the concerns for peace which the Prime Minister has expressed. We appreciate his strong statements supporting the joint efforts of the Western allies to negotiate meaningful arms reductions and to promote dialog with other nations.

And I thank you, Mr. Prime Minister, for coming here, sharing your ideas with us. And we wish you God's speed in your efforts to help build a durable peace.

PRIME MINISTER TRUDEAU. As you have just heard, the President supported what is being known as my peace initiative. But I think he did more than support it. I think he has been showing through his administration and the past months, at least, that, as far as we are concerned on the NATO side, we want to change the trend line. We want to make it clear that not only the Alliance is strong, that it will defend itself, that it will not be intimidated but that it is also pursuing peace.

And if I were to tell you, for instance, that the President agrees that there—we shouldn't seek military superiority in NATO, we should seek a balance, that we do not think that a nuclear war can be won, that we think that the ideal would be to see an end to all nuclear arms, it might come as news at least to some of the press in Canada because we haven't been hearing that. But this is what the President said at the Diet in Japan, [10] and this is what our foreign ministers have said just a few days ago in Brussels, [11] that we respect each other's legitimate security interests. Whether this is news or not, I don't know, but this, at least in perception, is a complete change of a trend line which I saw when I embarked in my initia-

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[8] Source: Department of State Press Release 416, December 9, 1983. The omitted portion is virtually identical to the final five paragraphs, *supra*.

[9] Source: White House Press Release, December 15, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, December 19, 1983, pp. 1699–1700. These statements were made upon the departure of Prime Minister Trudeau at 12:09 p.m. from the Diplomatic Entrance of the White House. Earlier in the day, the President and Prime Minister met in the Oval Office with U.S. and Canadian officials, including Vice President Bush, Secretary of State Shultz, Secretary of Defense Weinberger, and Canadian Secretary of State for External Affairs MacEachen.

[10] See document 489.

[11] Reference is to the North Atlantic Council ministerial meeting in Brussels, Belgium.

tive several months ago, as one which was going downward rather than upwards, which was—to use Carrington's phrase—which was characterized by megaphone diplomacy.

In Brussels last week, there was no megaphone diplomacy. There was a call for dialog repeated two or three times in the message and in the communiqué. So I'm grateful—not that I've said anything new this morning—but I'm grateful that I was able to hear from the President of the United States, the leader of the Alliance, that these are not just words. That these correspond to the intention of the Alliance and that the other side can know, the Warsaw Pact can know that we're not trying to be superior, we're not trying to not recognize their legitimate security interests. We just want them to realize we want to be at least equal in balance and that they should recognize ours. And I think this is a great step forward.

I'll say nothing of the—maybe I will say something about the decision made to send foreign ministers to Stockholm.[12] This is really stating that the politicians are taking hold of the peace issue. It is no longer for the nuclear accountants, it is for the political leaders, themselves.

Thank you.

C. Cyprus

Document 175

Editorial Note

As required by Public Law 95-384, the International Security Assistance Act of 1978, approved September 22, 1978 (92 Stat. 729), President Reagan submitted bimonthly progress reports to Congress on efforts to reach a negotiated settlement of the Cyprus problem. During 1983 he sent the 12th through the 16th reports in letters to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and Charles H. Percy, Chairman of the Senate Foreign Relations Committee, on January 27, April 6, June 16, August 18, and November 7; for texts, see Department of State *Bulletin*, April 1983, p. 67; June 1983, p. 38; August 1983, p. 49; October 1983, p. 69; and December 1983, p. 29. These reports reflected United States support for a negotiated settlement of the Cyprus dispute through intercommunal talks between Greek Cypriot and Turkish Cypriot representatives, assisted by the good offices of United Nations Secretary-General Javier Pérez de Cuéllar, and by diplomatic contacts with the parties concerned. While stating United States support of efforts for a just and lasting solution of the Cyprus dispute, the President's reports to Congress indicated little progress toward a settlement in 1983.

Document 176

Statement by the Representative at the U.N. General Assembly (Sherman), May 12, 1983[1]

Support for the Good Offices Role of the U.N. Secretary-General

The United States remains deeply concerned with the Cyprus problem. The continued division between the two communities on the island and their inability to reach an agreed settlement is a great disappointment to my government. The United States deeply regrets the effects of this persistent tragedy on the lives of the Cypriot people. We also are disturbed by the fact that the unresolved differences in Cyprus strain relations between two valued friends and allies in the region, Greece and Turkey. We will continue to support the Secretary-General in his efforts to help the parties to this unfortu-

[12] Reference is to the Conference on Confidence- and Security-Building Measures and Disarmament in Europe (CDE), held in Stockholm on January 17, 1984. The United States, Canada, and 33 European states (NATO, Warsaw Pact, and nonaligned members) convened pursuant to a 1978 proposal by France and endorsement by 35 member states of the Conference on Security and Cooperation in Europe. The second stage of CDE will be devoted to reviewing the implementation of the 1975 Helsinki Final Act.

[1] Source: U.S. Mission to the United Nations Press Release USUN 32-(83), May 12, 1983.

nate conflict reach a fair and lasting settlement.

With the assistance of the Secretary-General and his Special Representative, Ambassador Hugo Gobbi, the two Cypriot communities have, in the latest round of intercommunal negotiations which began in November 1981, addressed the issues which divide them. Exercise of the Secretary-General's good offices, mandated by the Security Council, has helped the parties reach a stage in the discussions where points of agreement and those issues remaining to be resolved, have been clearly defined through the "evaluation process" introduced by the previous Secretary-General. [2]

Today we are fortunate to have a Secretary-General who is exceptionally well informed on the Question of Cyprus, having been directly involved during his previous assignment as Special Representative in that country. We welcome the intention announced in his report of May 6, [3] to strengthen his personal involvement within the framework of his good offices, in order to give fresh impetus to the negotiating process. The United States believes it is this process—the direct discussions between the communities complemented by the good offices role of the Secretary-General—which has the best chance of producing the lasting settlement to the Cyprus dispute which we all seek.

Acrimonious debate in this chamber and public posturing by the parties to the Cyprus problem will not, we believe, prove helpful to the process underway in Cyprus. Instead, we favor return by the leaders of both communities to the conference table. There, out of the glare of publicity, the parties can proceed with the vital work of addressing the issues which divide the communities and prevent the return to normal life in Cyprus.

A number of speakers in this debate have acknowledged the valuable contribution made by UNFICYP to keeping of the peace on the island. The United States recognizes the importance of UNFICYP's role in this regard, and has since March 1964, contributed 46% of the funds made available by all countries to the UNFICYP Special Account. We are disturbed by the latest report of the Secretary-General on this subject, [4] which documents the increasing debt into which the program is falling. We urge Members of the United Nations who do not contribute to maintenance of the Force to respond to the Secretary-General's appeal for additional funds.

There seems now to be an international climate conducive to progress in resolving the problem of Cyprus. It seems to us that the time is ripe for real advance toward a mutually acceptable settlement. The factors I have mentioned—an active and knowledgeable Secretary-General with a clear mandate, an ongoing process of direct discussion between the two communities, and international support for a settlement—all militate for an early return by the Greek Cypriots and Turkish Cypriots to the negotiations and a renewed determination by both to see progress made. The moment is propitious for movement; we encourage the two communities and other concerned parties to demonstrate the political will requisite to making the hard, but necessary decisions needed to achieve a comprehensive, durable and equitable settlement. We urge all concerned not to forfeit the opportunity which presents itself now. Further delay can only intensify the differences and exacerbate tensions among the parties.

The Secretary-General has indicated a willingness to make himself available to assist in the achievement of a settlement. We urge the parties to accept his offer and work with him to bring about an end to the discord and divisiveness among the

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[2] The U.N. Security Council requested "a new mission of good offices" by the U.N. Secretary-General to facilitate negotiation of the Cyprus dispute in Resolution 367 (1975), adopted on March 12, 1975; for text, see U.N. Security Council Official Records, *Thirtieth Year* (S/INF/31), pp. 1–2. The Security Council subsequently continued the mandate for the Secretary-General's good offices. For the introduction of the "evaluation process," see the opening statement by Hugo J. Gobbi, the Special Representative of the U.N. Secretary-General in Cyprus, on behalf of Secretary-General Kurt Waldheim, at the resumed intercommunal talks in Nicosia on August 9, 1980; text in *Yearbook of the United Nations, 1980* (New York, 1983), pp. 453–454.

[3] For text, see U.N. document A/37/805 and Corr.1.

[4] Reference presumably is to the report of December 1, 1982, by Secretary-General Pérez de Cuéllar to the U.N. Security Council on the U.N. operation in Cyprus for the period June 1 to November 30, 1982; for text, see U.N. document S/15502 and Corr.1 and Add.1.

Cypriot people. The United States pledges its support for this effort.

Document 177

Resolution 37/253, Adopted by the U.N. General Assembly, May 13, 1983 [5]

Call For Negotiations Between the Greek and Turkish Cypriots Under the Auspices of the U.N. Secretary-General

The General Assembly,

Having considered the question of Cyprus,

Recalling its resolution 3212 (XXIX) of 1 November 1974 [6] and its subsequent resolutions on the question of Cyprus,

Recalling the high-level agreements of 12 February 1977 [7] and 19 May 1979, [8]

Reaffirming the principle of the inadmissibility of occupation and acquisition of territory by force,

Greatly concerned at the prolongation of the Cyprus crisis, which poses a serious threat to international peace and security,

Deeply regretting that the resolutions of the United Nations on Cyprus have not yet been implemented,

Recalling the idea of holding an international conference on Cyprus,

Deploring the fact that part of the territory of the Republic of Cyprus is still occupied by foreign forces,

Deploring the lack of progress in the intercommunal talks,

Deploring all unilateral actions that change the demographic structure of Cyprus or promote faits accomplis,

Reaffirming the need to settle the question of Cyprus without further delay by peaceful means in accordance with the provisions of the Charter of the United Nations and the relevant United Nations resolutions,

1. *Reiterates* its full support for the sovereignty, independence, territorial integrity, unity and non-alignment of the Republic of Cyprus and calls once again for the cessation of all foreign interference in its affairs;

2. *Affirms* the right of the Republic of Cyprus and its people to full and effective sovereignty and control over the entire territory of Cyprus and its natural and other resources and calls upon all States to support and help the Government of the Republic of Cyprus to exercise these rights;

3. *Condemns* any act which tends to undermine the full and effective exercise of the above-mentioned rights, including the unlawful issue of titles of ownership of property;

4. *Welcomes* the proposal for total demilitarization made by the President of the Republic of Cyprus; [9]

5. *Expresses its support* for the high-level agreements of 12 February 1977 and 19 May 1979 and all the provisions thereof;

6. *Demands* the immediate and effective implementation of resolution 3212 (XXIX), unanimously adopted by the Gen-

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[5] Source: U.N. General Assembly Official Records, *Thirty-seventh Session, Supplement No. 51* (A/37/51), pp. 48–49. This resolution, sponsored by the seven-member contact group of nonaligned countries on Cyprus, was adopted by a vote of 103 (including Cyprus and Greece) to 5 (including Turkey), with 20 abstentions (including the United Kingdom and the United States).

[6] For text, see *ibid., Twenty-ninth Session, Supplement No. 31* (A/9631), p. 3.

[7] Reference is to instructions (guidelines) for intercommunal talks agreed to by Rauf R. Denktash, the Turkish Cypriot representative, and Archbishop Makarios, the President of Cyprus, at a meeting in Nicosia on February 12, 1977; for further information, see *Yearbook of the United Nations, 1977* (New York, 1980), p. 344.

[8] Reference is to the 10-point communiqué issued at Nicosia following the meeting between President Spyros Kyprianou of Cyprus and Denktash on May 19, 1979; for text, see *ibid., 1979* (New York, 1982), pp. 421–422.

[9] President Kyprianou reiterated his earlier "proposal for the total demilitarization and disarmament of Cyprus" before the U.N. General Assembly on October 7, 1982; see U.N. document A/37/PV.21.

eral Assembly and endorsed by the Security Council in its resolution 365 (1974) of 13 December 1974, [10] and of the subsequent resolutions of the Assembly and the Council on Cyprus which provide the valid and essential basis for the solution of the problem of Cyprus;

7. *Considers* the withdrawal of all occupation forces from the Republic of Cyprus as an essential basis for a speedy and mutually acceptable solution of the problem of Cyprus; [11]

8. *Demands* the immediate withdrawal of all occupation forces from the Republic of Cyprus;

9. *Commends* the intensification of the efforts made by the Secretary-General, while noting with concern the lack of progress in the intercommunal talks;

10. *Calls* for meaningful, result-oriented, constructive and substantive negotiations between the representatives of the two communities, under the auspices of the Secretary-General, to be conducted freely and on an equal footing, on the basis of relevant United Nations resolutions and the high-level agreements, with a view to reaching as early as possible a mutually acceptable agreement based on the fundamental and legitimate rights of the two communities;

11. *Calls* for respect of the human rights and fundamental freedoms of all Cypriots, including the freedom of movement, the freedom of settlement and the right to property, and the instituting of urgent measures for the voluntary return of the refugees to their homes in safety;

12. *Considers* that the *de facto* situation created by the force of arms should not be allowed to influence or in any way affect the solution of the problem of Cyprus;

13. *Calls upon* the parties concerned to refrain from any unilateral action which might adversely affect the prospects of a just and lasting solution of the problem of Cyprus by peaceful means and to co-operate fully with the Secretary-General in the performance of his task under the relevant resolutions of the General Assembly and the Security Council as well as with the United Nations Peacekeeping Force in Cyprus;

14. *Calls upon* the parties concerned to refrain from any action which violates or is designed to violate the independence, unity, sovereignty and territorial integrity of the Republic of Cyprus;

15. *Reiterates its recommendation* that the Security Council should examine the question of implementation, within a specified time-frame, of its relevant resolutions and consider and adopt thereafter, if necessary, all appropriate and practical measures under the Charter of the United Nations for ensuring the speedy and effective implementation of the resolutions of the United Nations on Cyprus; [12]

16. *Welcomes* the intention of the Secretary-General, as expressed in his report, [13] to pursue a renewed personal involvement in the quest for a solution of the problem of Cyprus and, in view of this, requests the Secretary-General to undertake such actions or initiatives as he may consider appropriate within the framework of the mission of good offices entrusted to him by the Security Council for promoting a just and lasting solution of the problem and to report to the General Assembly at its thirty-eighth session on the results of his efforts;

17. *Decides* to include in the provisional agenda of its thirty-eighth session the item entitled "Question of Cyprus" [14] and requests the Secretary-General to follow up the implementation of the present resolution and to report on all its aspects to the General Assembly at that session.

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[10] For text, see U.N. Security Council Official Records, *Twenty-ninth Session* (S/INF/30), p. 11.

[11] Paragraph 7 was adopted by a separate vote of 89 (including Cyprus and Greece) to 5 (including Turkey), with 27 abstentions (including the United Kingdom and the United States).

[12] Paragraph 15 was adopted by a separate vote of 86 (including Cyprus and Greece) to 8 (including Turkey and the United States), with 25 abstentions (including the United Kingdom).

[13] Reference is to U.N. document A/37/805 and Corr.1. [Footnote in the source text.]

[14] The item entitled "Question of Cyprus" remained on the agenda of the 38th session of the U.N. General Assembly with no further action on it in 1983 except to carry it over to the resumed 38th session in 1984. (U.N. General Assembly Official Records, *Thirty-eighth Session, Supplement No. 47* (A/38/47), p. 288)

Document 178

Editorial Note

Resolution 534 (1983), adopted unanimously by the United Nations Security Council on June 15, 1983, extended the stationing in Cyprus of the United Nations Peacekeeping Force established under Security Council Resolution 186 (1964) for a further 6-month period ending December 15, 1983. On that date Resolution 544 (1983), adopted unanimously by the Security Council, extended the stationing of the Peacekeeping Force in Cyprus for another 6 months, until June 15, 1984.

Document 179

Prepared Statement and Testimony by the Special Cyprus Coordinator and Deputy for Policy Planning, Bureau of European and Canadian Affairs, Department of State (Haass), Before a Subcommittee of the House Foreign Affairs Committee, November 2, 1983 (Extracts) [15]

Explanation of U.S. Policy Toward Cyprus

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In August of this year, [16] UN Secretary-General Perez de Cuellar, acting within his good offices role mandated by the Security Council, took "soundings" to determine the possibility of once again resuming the talks which have been stalled since last spring. [17] The two parties were asked to look both at methodology (i.e., the Secretary-General taking on the task of outlining parameters of key issues within which the two sides could negotiate) and at the substance of three such "indicators" (form of the executive, the legislature, and territorial division). The United States urged the two parties to respond constructively to the Secretary-General's initiative but did not comment on the substance of the proposals themselves.

While the results of this sounding have not yet been announced, we understand the Greek Cypriots indicated their acceptance of and support for the Secretary-General's personal involvement in the attempt to find solutions. In the Turkish response, we understand, was included a call for a return to the intercommunal talks. The Secretary-General is carefully studying the two responses now, and we remain hopeful the two Cypriot communities can agree to return to negotiations with a renewed determination to find a fair and lasting settlement. Our role is and will remain one of supporting the efforts of the Cypriot people to find solutions and of the Secretary-General to facilitate that search. We have also made clear to the parties that we will continue material assistance to help all Cypriots improve their standard of living, and diplomatic assistance to facilitate communications and exchange between the communities as they pursue the intercommunal negotiating process.

U.S. policy has been, and remains, based upon the strong desire to see a stable and peaceful Cyprus in which all Cypriots, regardless of their ethnic identity, can live together in peace and prosperity. Further, we support a democratic, independent and nonaligned Cyprus exercising its rights and duties within the family of nations—a viable and responsible state in a strategically important area of the world.

On a more specific level, U.S. Cyprus policy is based upon active support for the United Nations Secretary-General in the good offices role entrusted to him by the Security Council. We maintain a close liaison with the Secretary-General and other UN officials concerned with the Cyprus problem, and, wherever possible, we use our diplomatic resources to reinforce their programs.

The Reagan administration intends to continue following the Secretary-General's

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[15] Source: *Status of Negotiations on the Cyprus Dispute and Recent Developments in Cyprus: Hearing Before the Subcommittee on Europe and the Middle East of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1984), pp. 10–13 and 26.

[16] On August 8 and 9, 1983, U.N. Secretary-General Pérez de Cuéllar asked both sides to consider pursuing the negotiations on the major outstanding issues; for further information, see U.N. document S/16192, par. 51.

[17] The latest meeting in the intercommunal talks had taken place on April 14, 1983; for information, see U.N. document A/37/805, par. 3.

lead, believing strongly that in his good offices role lies the best chance for making progress in Cyprus.

The general principles of an eventual Cypriot state are contained in the foundations of the present round of intercommunal talks:

—the Makarios–Denktash Instructions to their Negotiators of February 12, 1977;

—the Denktash–Kyprianou Ten-Point Agreement of May 19, 1979;

—the Secretary-General's statement opening the talks on August 9, 1980; [18] and

—the Secretary-General's Evaluation of 1981. [19]

Collectively these documents, along with the Secretary-General's recent soundings, represent evidence of considerable progress toward a settlement. They constitute a foundation upon which the parties could reconstruct their state.

Further progress will be determined, above all, by the degree of political will on the part of the two Cypriot parties themselves. Without the sincere desire for a settlement—and the incumbent willingness to compromise—nothing we do and nothing the Secretary-General does will matter. For that reason our resolve will not waver. We must continue to urge the parties to negotiate, support the Secretary-General in his efforts to provide the platform for progress, and convince all interested parties that there is no viable alternative to a fair and final negotiated settlement in Cyprus.

Department of State Counselor Edward Derwinski, Assistant Secretary Richard Burt, and I have visited Cyprus this year as part of the administration's effort to facilitate a settlement. Together with Secretary Shultz, [20] we met in New York during the General Assembly session with representatives of the two Cypriot parties, with Turkish and Greek officials, and with UN officials. We have also maintained close coordination with our European allies whose interests in Cyprus parallel our own and who have joined us in supporting the Secretary-General's role. In all these meetings we have forcefully made the points I have outlined for you today.

In addition, over the past year a number of congressional delegations have visited Cyprus. These visits, we trust, have helped to provide a depth of understanding of, and empathy with, the people of Cyprus who sincerely long for an end to the division of their island.

Our resolve in the search for solutions to the Cyprus problem must continue. Over the coming months we will work closely with the Secretary-General and with the representatives of the two Cypriot communities to find paths for progress. The long-term peace, prosperity and territorial integrity of Cyprus are too important to permit relaxing our efforts. I assure you we will continue and will keep the Congress apprised of our progress in this important mission.

. . . . . .

MR. HAMILTON. [21] Now, we had this proposal for the unilateral declaration of independence [UDI] by Mr. Denktash. [22] Mr. Yatron asked about this. [23] But I am not clear as to the U.S. position on that.

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[18] See footnote 2 above.

[19] Reference is the evaluation of the status of negotiations with regard to some aspects of the Cyprus problem which Hugo J. Gobbi, Special Representative of the U.N. Secretary-General in Cyprus, handed in the form of an advance unofficial informal text to President Kyprianou and Denktash on October 22, 1981, and officially to the parties at the intercommunal talks at Nicosia on November 18, 1981. The evaluation analyzed the negotiating positions of the parties, identifying the "points of coincidence" and the "points of equidistance" where substantive divergencies would have to be bridged. The evaluation continued to be used as a method of discussion in 1982 and 1983. For further information, see U.N. documents S/14778, par. 47; S/15149, par. 45; S/15502, par. 47; and S/15812, par. 49.

[20] Secretary Shultz met in New York with Cypriot President Kyprianou on September 28 and with Turkish Foreign Minister Ilter Türkmen on October 5, 1983.

[21] Representative Lee H. Hamilton, Chairman of the Subcommittee on Europe and the Middle East of the House Foreign Affairs Committee.

[22] Denktash, the Turkish Cypriot representative, announced on May 16, 1983, that he would propose a declaration of independence by the northern part of Cyprus, and that it seek recognition as a sovereign state; see *Keesing's Contemporary Archives, 1983*, (London, 1983), vol. XXIX, p. 32395A. Brackets are in the source text.

[23] Representative Gus Yatron asked at this hearing whether the "administration had been in

Continued

Are we actively opposing that? What has been our position on that?

MR. HAASS. We have made it very clear that we would not see as desirable a unilateral declaration of independence or anything which would change the status of there being a single, independent Cyprus.

We have made it very clear we would not see anything along those lines as a helpful step.

. . . . . .

Document 180

Transcript of the Department of State Daily Press Briefing, November 15, 1983 (Extract) [24]

Call For Reversal of the Turkish Cypriot Declaration of Independence

MR. ROMBERG. I have one statement to issue on the Turkish Cypriot situation. We have learned today of the declaration by the Turkish Cypriot community of its independence. [25] The announcement came following a resolution reportedly approved in that community's legislative assembly creating a polity called the "Turkish Republic of Northern Cyprus." [26]

This move by the Turkish Cypriots comes as a complete surprise to us. We are dismayed by the move which we consider unhelpful to the process of finding a settlement to the Cyprus problem. We are actively meeting with all parties to the Cyprus problem both in Washington and other capitals to urge calm in the wake of today's developments.

The Turkish Cypriots should reverse their actions. We have urged the Government of Turkey to use its influence with the Turkish Cypriot community to bring about such a reversal. We will not recognize the new polity, and we urge all countries of the world not to recognize it.

We urge all parties to the Cyprus question to support the efforts of the Secretary-General to bring about a fair and final negotiated settlement of the problems of that country. In our opinion the secession of the Turkish community from the Republic of Cyprus represents potentially serious damage to that process.

Q. Alan, it is a surprise to me that you were surprised. They have been threatening for weeks to do this.

A. A threat, Dick, is different actually from moving ahead and taking action.

Q. Alan, you urged Turkey to withdraw its recognition? It's just recognized the republic. [27]

A. I understand that, and, as I indicated, we condemn the move by the Turkish Cypriots to declare their independence, and we regret that the Government of Turkey has recognized this new polity. We strongly urge that no further international

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contact with the Turkish Government or with Mr. Denktash to try to dissuade him from taking such action." Assistant Secretary of State Richard R. Burt replied: "We have discussed the question both with the Turkish Cypriot community and with the Turkish Government." (*Status of Negotiations on the Cyprus Dispute and Recent Developments in Cyprus*, p. 18) Yatron then asked whether the United States would accept such a declaration as legitimate. Burt replied: "I think that is really a speculative question. I would prefer not to answer it. We want to see a settlement and we want to see a settlement that creates one government for Cyprus." (*Ibid.*).

[24] Source: Office of Press Relations, Department of State; also printed in Department of State *Bulletin*, January 1984, p. 52. Alan Romberg, Department of State Acting Spokesman, conducted the briefing which began at 12:20 p.m.

[25] For text of the declaration of November 15, 1983, on the establishment of the Turkish Republic of Northern Cyprus, see U.N. document A/38/586-S/1648, pp. 11–31.

[26] For text of the resolution of November 15, 1983, by the Legislative Assembly of the Turkish Federated State of Cyprus, approving the establishment of the Turkish Republic of Northern Cyprus and the Turkish Cypriot Declaration of Independence, see *ibid.*, pp. 32–33.

[27] For text of the statement of November 15, 1983, by Turkish Foreign Minister Ilter Türkmen, announcing that the Turkish Government had decided to recognize the Turkish Republic of Northern Cyprus, see the Annex to U.N. document S/16152.

recognition be granted to this self-declared country. [28]

Q. Alan, for what reason would this move hurt the efforts to reunite the people of that island?

A. I think that's rather self-evident, Ralph, in terms of the way the dialogue has proceeded to this point. This is not a positive contribution to that dialogue.

Q. Do you expect the negotiations to resume in light of this or not until the reversal of decision?

A. At this point we are, as I said, in touch with the various parties who are concerned. We are carefully studying what further actions we should take, and I really don't have anything further to give you.

. . . . . .

Document 181

Resolution 541 (1983), Adopted by the U.N. Security Council, November 18, 1983 [29]

Call For Withdrawal of the Turkish Cypriot Declaration of Independence

The Security Council,

Having heard the statement of the Foreign Minister of the Government of the Republic of Cyprus, [30]

Concerned at the declaration by the Turkish Cypriot authorities issued on 15 November 1983 which purports to create an independent State in northern Cyprus,

Considering that this declaration is incompatible with the 1960 Treaty concerning the establishment of the Republic of Cyprus [31] and the 1960 Treaty of Guarantee, [32]

Considering, therefore, that the attempt to create a "Turkish Republic of Northern Cyprus" is invalid, and will contribute to a worsening of the situation in Cyprus,

Reaffirming its resolutions 365 (1974) and 367 (1975), [33]

Aware of the need for a solution of the Cyprus problem based on the mission of good offices undertaken by the Secretary-General,

Affirming its continuing support for the United Nations Peace-keeping Force in Cyprus,

Taking note of the Secretary-General's statement of 17 November 1983, [34]

1. *Deplores* the declaration of the Turkish Cypriot authorities of the purported secession of part of the Republic of Cyprus;

2. *Considers* the declaration referred to above as legally invalid and calls for its withdrawal;

3. *Calls for* the urgent and effective implementation of its resolutions 365 (1974) and 367 (1975);

4. *Requests* the Secretary-General to pursue his mission of good offices, in order to achieve the earliest possible progress towards a just and lasting settlement in Cyprus;

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[28] No further international recognition was granted.

[29] Source: U.N. Security Council Resolution 541 (1983). This resolution, submitted by the United Kingdom, was adopted by a vote of 13 (including the United Kingdom and the United States) to 1 (Pakistan), with 1 abstention (Jordan).

[30] For text of Cypriot Foreign Minister George Iacovou's statement before the U.N. Security Council on November 17, 1983, see U.N. document S/PV.2497.

[31] For text of the Treaty Concerning the Establishment of the Republic of Cyprus, signed at Nicosia by representatives of Cyprus, Greece, Turkey, and the United Kingdom on August 16, 1960, see 382 UNTS 8.

[32] For text of the Treaty of Guarantee signed by representatives of Cyprus, Greece, Turkey, and the United Kingdom at Nicosia on August 16, 1960, see 382 UNTS 3.

[33] For text of U.N. Security Council Resolution 367 (1975), see *Yearbook of the United Nations, 1975* (New York, 1978), pp. 297–298.

[34] For text of U.N. Secretary-General Pérez de Cuéllar's statement before the U.N. Security Council on November 17, 1983, see U.N. document S/PV.2497.

5. *Calls upon* the parties to co-operate fully with the Secretary-General in his mission of good offices;

6. *Calls upon* all States to respect the sovereignty, independence, territorial integrity and non-alignment of the Republic of Cyprus;

7. *Calls upon* all States not to recognize any Cypriot State other than the Republic of Cyprus;

8. *Calls upon* all States and the two communities in Cyprus to refrain from any action which might exacerbate the situation;

9. *Requests* the Secretary-General to keep the Security Council fully informed.

Document 182

Statement by the President's Principal Deputy Press Secretary (Speakes), November 21, 1983 [35]

President Reagan's Meeting With Cypriot President Kyprianou

In his meeting with the President, President Spyros Kyprianou of the Republic of Cyprus, deplored the unilateral declaration of a separate political entity in Northern Cyprus and urged U.S. support for a Cyprus settlement, which included a reversal of this unilateral act.

The President noted our deep distress at the unilateral action by the Turkish Cypriots and that we had supported a British resolution at the United Nations [36] deploring the Turkish Cypriot action and urging cooperation with U.N. efforts to promote a peaceful settlement. The President said that the United States stands four square behind the U.N. Secretary-General's good offices effort and emphasized the importance of reestablishing a dialog between the two communities on Cyprus.

The President also noted that he had personally spoken with the U.N. Secretary-General on Friday [37] about his difficult task and offered to help in any way possible. In recognizing that the situation is complex, the President asked that the Government of Cyprus not let this ill-advised unilateral act preclude consideration of any opportunities that may emerge for progress toward a settlement.

Document 183

Transcript of a White House Press Briefing, November 22, 1983 (Extract) [38]

President Reagan's Meeting With Turkish Foreign Minister Ilter Türkmen

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[35] Source: White House Press Release, November 21, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, November 28, 1983, p. 1610. Presidents Reagan and Kyprianou met in the Oval Office of the White House from 3:45 p.m. to 4:01 p.m. Following the meeting, Speakes read this statement to reporters in the Rose Garden outside the White House. President Kyprianou visited the United States, November 18–23, 1983, to meet with U.N. Secretary-General Pérez de Cuéllar, Secretary of State Shultz, and President Reagan, and to address the U.N. General Assembly.

[36] Reference is to U.N. Security Council Resolution 541 (1983), *supra*.

[37] President Reagan telephoned U.N. Secretary-General Pérez de Cuéllar on Friday, November 18, 1983, "to indicate that he believes the Secretary-General's direct involvement is a key to finding a negotiated solution and indicated our eagerness to help in keeping the negotiating process open." (White House Press Briefing, November 21, 1983, Office of the Press Secretary to the President).

[38] Source: Office of the Press Secretary to the President. Larry Speakes, Principal Deputy Press Secretary to the President, conducted the briefing, which began at 12:40 p.m. President Reagan met with Turkish Foreign Minister Türkmen in the Oval Office of the White House from 9:22 to 9:40 a.m. During his visit to the United States, November 19–22, 1983, Türkmen met with U.N. Secretary-General Pérez de Cuéllar, November 19; Secretary of State Shultz, November 21; and President Reagan, Vice Presi-

Continued

[MR. SPEAKES.]. . . In his meeting yesterday with President Kyprianou of Cyprus, the President urged as a matter of urgency that we intensify our efforts to reverse the Turkish Cypriot Declaration of Statehood. The President expressed our willingness to help and underline our support for the U.N. Secretary-General's good office's effort to find a just and lasting solution to the complex Cyprus question.

In a brief meeting this morning with Turkish Foreign Minister Ilter Türkmen, the President urged the Government of Turkey to use its influence to reverse the Turkish Cypriot's proclamation. The President emphasized, as well, to Foreign Minister Türkmen, our support for the United Nations Secretary-General's efforts.

Q. What did Türkmen say?

MR. SPEAKES. A little more here. The President also congratulated the Foreign Minister on recently concluded Parliamentary elections [39] and reaffirmed the importance of U.S. relations with Turkey.

The Vice President this afternoon is meeting with the Foreign Minister.

Q. Well, does this mean he threatened him? Was there any kind of souring of relations?

MR. SPEAKES. No, the United States puts great store in Turkish-U.S. relations and Turkish participation in NATO.

Q. What did the Foreign Minister say his country's position is on the—

MR. SPEAKES. The Foreign Minister has a spokesman, I would presume, and he made a statement on the lawn. So I don't presume to carry both sides of the conversation. I'll give you one side.

Q. Sounds like a very tough counter.

MR. SPEAKES. The United States has made a statement [40] from the outset on our beliefs that this action should be reversed and that there should be a reestablishment of dialogue between the two communities on Cyprus and we will continue to support the U.N. effort to reach some resolution; but we do have strong feelings, yes. And the President did communicate them.

. . . . . .

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dent George Bush, Secretary of Defense Caspar W. Weinberger, and Representative Clement E. Zablocki, Chairman of the House Foreign Affairs Committee, November 22. Türkmen gave President Reagan a message from Turkish President Kenan Evren regarding developments in Cyprus.

[39] Reference is to the Turkish Grand National Assembly elections of November 6, 1983.

[40] See document 180.

D. France

Document 184

Statement by Vice President Bush, Paris, February 8, 1983 [1]

Unification, Strength, and Perseverance of the Western Alliance

First, I want to thank our Ambassador [2] and his charming wife for their hospitality. I want to thank our French hosts for their warmth and hospitality that they have already shown to me, and to all the rest of us. It's a great pleasure to be back here in Paris, to be with friends.

I came to France to consult with one of the oldest and greatest allies that the United States has regarding the major issues now facing the Western alliance. I was accorded a great deal of time and a personal meeting with President Mitterrand. We are very grateful for that. I had good meetings with Foreign Minister Cheysson, other high government offi-

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[1] Source: Press Release, February 8, 1983, Office of the Press Secretary to the Vice President; also printed in Department of State *Bulletin*, March 1983, pp. 20–21. The Vice President made this statement upon his arrival in Paris. Vice President Bush visited seven nations between January 30 and February 10, 1983 in the following order: Federal Republic of Germany, the Netherlands, Belgium, Switzerland, Italy, France, and the United Kingdom. He left Paris for London on February 9, 1983.

[2] U.S. Ambassador to France, Evan Griffith Galbraith.

cials, and these meetings, all of them, strongly reinforce what I found in the five previous nations that I have visited on this trip.

The Western alliance is dedicated to and united in its efforts to preserve the peace in Europe by maintaining the balance of power between East and West. We are also unified in our efforts to revitalize our economies, reduce unemployment and inflation and improve the standard of living not only in our own countries, but throughout the world.

With me on this trip is Dr. Martin Feldstein (who must be out solving the economic problems, because I don't see him here right now), Chairman of the President's Council of Economic Advisers. Mr. Feldstein has been of enormous assistance in conveying to our allies that the United States expects [to] show real economic growth in 1983, which we hope will provide a backdrop for growth in the Western European countries, and indeed in the Third World.

The United States is determined to achieve an economic recovery with a low rate of inflation, so that recovery on both sides of the Atlantic can be sustained. In addition, we can't emphasize enough that the Reagan administration is committed to resist protectionist measures. I know there are exceptions. We have exceptions. Others have exceptions. But our basic policy is to resist protectionism. Indeed, we believe that free trade is necessary, not only for our own recovery, but recovery throughout the world. We share the deep concern of President Mitterrand and other leaders of his government who are deeply concerned by the Soviet threat—a threat which has resulted from a massive 15-year military buildup. France, the United States, and the other allies solidly support the NATO decision of December 1979 to protect the alliance's security.[3] While we would prefer to protect our security interests by eliminating the Soviet Union's land-based intermediate-range nuclear forces and cancelling the planned deployment of our own comparable systems, we will move forward with deployment at the end of 1983, in accordance with that decision, if necessary. The Soviets have offered us a plan which locks in the present imbalance, locks in, if you will, monopoly. They've offered to reduce their land-based intermediate-range nuclear forces, while allowing the United States and NATO to have none at all.

Now, our President has offered the safest possible plan.[4] It would banish this entire class of weapons from the face of the Earth. It's a good plan, a sensible plan, a moral plan, if you will. Sadly the Soviets have continued to stonewall on this peace proposal—a proposal designed not only to reduce the level of nuclear forces in Europe, but to reduce tensions between East and West as well.

During my six-nation visit, I have constantly said that if the Soviets don't like our plan, then they should come up with a serious proposal of their own—one which would bring about the same peaceful goal, elimination of an entire generation of intermediate range weapons.

Our challenge to the Soviet leadership to engage in a peace race has been answered by rejection and by, regrettably, some unprecedented, public offensive comments and an offensive itself.

I have said consistently that ours is not a take-it-or-leave-it proposal. But to date the Western democracies have yet to see or hear any indication that the Soviet Union is willing to budge an inch from its position of INF nuclear monopoly. It is time for the new Soviet leaders to act boldly, and enter a new age of nuclear arms reductions. And let's march together then for peace.

While we await a new signal from the Soviets, France, the United States, and other nations of the Western alliance are going to stand together and maintain our strength and maintain our deterrence. Together, we have kept the peace in Europe for nearly 40 years. We intend to maintain it for future generations of Europeans and Americans. I am convinced after these visits that our resolve will not be broken.

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[3] Reference is to the communiqué issued on December 12, 1979, by the NATO foreign and defense ministers in Brussels. For text, see *American Foreign Policy: Basic Documents, 1977–1980*, pp. 494–496.

[4] Reference presumably is to the President's "zero option" proposal for intermediate-range nuclear forces, which he advanced in a speech on November 18, 1981, and reiterated, among other occasions, in a speech on November 22, 1982. For texts of these two speeches, see, respectively, *ibid.: Current Documents, 1981*, pp. 177–182, and *ibid., 1982*, pp. 184–192.

Document 185

Transcript of a Press Briefing by the Secretary of State (Shultz), June 10, 1983 (Extract) [5]

France and the North Atlantic Council's Final Communiqué

Q. Mr. Secretary, can you give us some further idea about what the back and forth about the East-West trade clause in the communiqué [6]—which we still have not read but have heard dictated?

SECRETARY SHULTZ. I'm not sure—I dictated and interpolated a little bit as I went along. We'll try to get you the text. Although I guess the official text they will have to produce there.

One of the things that takes up a lot of time, and we should be tuned in to it, but its very difficult to do it, is the French sensitivity about what they are involved in and what they are not involved in. There is a big point, of course, that they are not involved in the Unified Command of NATO, and therefore, there are certain decisions that they don't take part in, while they are involved in the Alliance. So, you are constantly in this process of saying the Alliance thinks such and such, and then the French saying, "Well, we agree with that, no problem. But that is something that the Unified Command did, so we can't touch." And then you struggle around with language to not weaken the point, but at the same time to protect the precision of the French view. The same thing carries over in this East-West economic area. So, there are certain words that they are very sensitive to and ways of phrasing things.

Take the subject of energy. I suppose because of the background of the pipeline dispute and the orientation to alternative supplies of gas, there is a tendency to think in those terms. So, the word gas in some fashion or another will call into a draft. The French will immediately complain that they have a big nuclear program, and how can you say that gas is the only alternative. It is ridiculous. Nuclear power is a strong alternative, and so on. And they are right.

So it is always something that seems to take a lot of discussion, and I think to some extent it is aggravating, and to some extent we should learn and know about these points that they make. But I don't think that the economic part of the communiqué didn't in the end take a lot of time in the discussion itself. There were some bracketed items and some alternative approaches. As far as we were concerned either of the approaches would have been fine. And so in the end that didn't turn out to be a big problem.

The length of time that was taken was more related to the first problem that I mentioned, in getting phraseology that had to be very careful. The allies concerned agree that we had very good questions and that sort of thing. What has turned out on all of these issues is good—strong, straight forward—but it seems to take a while to get there.

. . . . . .

Document 186

Memorandum From the Attorney General's Special Assistant (Ryan) to the Attorney General (Smith), August 2, 1983 [7]

U.S. Culpability in the Klaus Barbie Matter: "We Have Delayed Justice in Lyon"

As the investigation of Klaus Barbie has shown, officers of the United States Gov-

[5] Source: Department of State files. The press briefing took place on the airplane flying Secretary Shultz from Paris to Shannon Airport, Ireland. The Secretary had attended the semiannual session of the North Atlantic Council ministerial meeting in Paris on June 9 and 10, 1983. For another portion of this briefing, see document 151.

[6] For texts of the Secretary's news conference in Paris and the North Atlantic Council Final Communiqué, see documents 147 and 150.

[7] Source: Department of Justice files. The source text is a Department of Justice publication, *Klaus Barbie and the United States: A Report to the Attorney General of the United States*, August 2, 1983. Attorney General William

Continued

ernment were directly responsible for protecting a person wanted by the Government of France on criminal charges and in arranging his escape from the law. [8] As a direct result of that action, Klaus Barbie did not stand trial in France in 1950; he spent 33 years as a free man and a fugitive from justice, and the fact that he is awaiting trial today in France is due entirely to the persistence of the Government of France and the cooperation of the present Government of Bolivia.

It is true that the obstruction of efforts to apprehend and extradite Barbie were not condoned in any official sense by the United States Government. But neither can this episode be considered as merely the unfortunate action of renegade officers. They were acting within the scope of their official duties. Their actions were taken not for personal gain, or to shield them personally from liability or discipline, but to protect what they believed to be the interests of the United States Army and the United States Government. Under these circumstances, whatever may be their personal culpability, the United States Government cannot disclaim responsibility for their actions.

Whether Barbie is guilty or innocent of the crimes with which he is charged will be decided by a French court. But whatever the verdict, his appointment with justice is long overdue. It is a principle of democracy and the rule of law that justice delayed is justice denied. If we are to be faithful to that principle—and we should be faithful to it—we cannot pretend that it applies only within our borders and nowhere else. We have delayed justice in Lyon.

I therefore believe it appropriate, and I so recommend, that the United States Government express to the Government of France its regret for its responsibility in delaying the due process of law in the case of Klaus Barbie. We should also pledge to cooperate in any appropriate manner in the further investigation of the crimes for which Barbie will be tried in France.

This is a matter of decency, and of honorable conduct. It should be, I believe, the final chapter by the United States in this case.

ALLAN A. RYAN, JR.

French Smith directed Allan A. Ryan, Jr., Director of the Office of Special Investigations, on March 14, 1983, to investigate the relationship between the U.S. Government and Klaus Barbie from the end of World War II to the present.

[8] Klaus Barbie, former head of the Gestapo in Lyon, was employed by the U.S. Army Command Intelligence Corps (CIC) from 1947 to 1951. CIC, a component of the European Command (EUCOM) was responsible for protecting the U.S. Zone against subversion, espionage, and sabotage. To do this effectively, it needed reliable people to gather and analyze intelligence, and employed Barbie in 1947 for this purpose. CIC was unaware of the dark side of Barbie's past until a Paris newspaper published an article on May 14, 1949, detailing Barbie's alleged acts of torture and brutality and raising the question of the possibility of war crimes and crimes against humanity. CIC, after initially equivocating on its position on Barbie, ultimately dealt with these allegations by concealing the truth and protecting him.

In 1950 the U.S. High Commission for Germany (HICOG), the U.S. civilian authority in Germany, contacted CIC and inquired of Barbie's whereabouts. Even though CIC knew the French Government was in the process of effecting the extradition of Barbie and that HICOG wanted to cooperate in all possible ways, CIC deliberately concealed the truth on June 16, 1950, by stating it had not been in contact with Barbie since April 1950. CIC falsified the information for two apparent reasons: 1) any revelation of using a former Gestapo officer and surrendering him to French authorities would embarrass CIC, and 2) CIC feared procedures and information would be compromised. Moreover, in September 1950, CIC went one step further by telling HICOG that Barbie was "no longer under [its] control."

In actuality, CIC continued to use Barbie until 1951, at which time it arranged for his escape to South America via the "rat line" (an underground network to assist defectors and informants to escape from Europe to Central and South America). CIC made all necessary arrangements, obtained all required papers (falsified), and even saw to it that Barbie be given an assumed name, Klaus Altmann. On March 23, 1951, Barbie/Altmann departed Europe and took up residence in Bolivia. He remained in Bolivia until 1983 when Bolivia expelled him to France to face trial for war crimes and criminal acts against humanity. The U.S. Government had no relationship with Barbie after his departure from Europe in 1951. (*Klaus Barbie and the United States, passim*)

Document 187

Transcript of an Interview With the Secretary of Defense (Weinberger), Paris, December 2, 1983 (Extract) [9]

"I Think the Relationships Between France and the U.S. Are Excellent"

. . . . . .

Q. Is the government of President Mitterrand a good ally of the United States?

A. I think so. I Think the relationships between France and the United States are excellent. I think it is critically important that they stay excellent because I do not believe that America can exist in a world in which Europe or France is overrun. So I think our alliance is very important.

Q. Is France the best ally in Europe?

A. It is a very fine ally in Europe. The relationship is a very old one; it is a very strong one and it is vital that it continue that way and we see nothing on the horizon that would interfere with the continuation of the very fine relationship between the United States and France. And that is a very fortunate thing for both of our countries and for the free world.

[9] Source: Department of State files. Secretary Weinberger was interviewed by Second French TV Channel, AN-2, on December 2, 1983. Portions of the interview, including the extract printed here, were telecast in France on December 3, 1983.

E. Greece

Document 188

Letter From Greek Prime Minister Papandreou to President Reagan, February 4, 1983 [1]

Effects of U.S. Aid on the Balance of Power Between Greece and Turkey

Mr. President, the proposals of the U.S. Administration to the U.S. Congress in reference to the program for economic and military aid for the 1984 fiscal year have created, as expected, profound dissatisfaction among the Greek people.

I wish to stress that my government's concern has increased as a result of the fact that the U.S. Administration appears to be drawing away from the long practice established by the 1978 amendment to the 1961 law on foreign aid which provides for the preservation of the balance of power in the Aegean. [2] At the same time, it directly links the amount of aid to Greece with the results of the negotiations being conducted for the signing of a new agreement for defense and economic aid. [3]

[1] Source: Unofficial translation in Foreign Broadcast Information Service, *Daily Report: Western Europe*, February 7, 1983, p. S1. The Greek Government released the text of this letter on February 5, 1984.

[2] Section 620C(b)(4) of the Foreign Assistance Act of 1961, as amended, states that "United States . . . security assistance for Greece and Turkey . . . shall be designed to ensure that the present balance of military strength among countries of the [Eastern Mediterranean] region, including Greece and Turkey, is preserved." (P.L. 95-384, approved September 26, 1978; 92 Stat. 738)

[3] Richard R. Burt, Assistant Secretary of State for European Affairs, told a subcommittee of the House Foreign Affairs Committee on March 18, 1983, "The President has decided that the administration would be prepared to request from the Congress additional aid beyond the figures that I mentioned earlier [$280 million in Foreign Military Sales credit guaranties and $1.7 million for the International Military Education

Continued

One of the basic prerequisites which the Greek Government has set for the negotiations in order to make the signing of a jointly acceptable agreement possible is that the balance of power in the area will be preserved both quantitatively and qualitatively.

The direct result of the proposals of the U.S. Administration on economic and military aid to Turkey for the 1984 fiscal year is, in the opinion of the Greek Government, that it must also define the level of the defense aid program for Greece for the same period.

The Greek Government cannot ignore the fact that if the balance of power in the area is not preserved, then the already fragile stability in our area will be disrupted, with unforeseeable consequences.

As you are aware, this fact creates a climate which does not help the negotiations for the signing of a new defense agreement and which could have negative repercussions on the relations between our two countries.

I wish to express the hope that the U.S. Administration will appreciate the critical nature of the issue which the two countries are facing. [4]

and Training Program for Greece in fiscal year 1984] in the context of an acceptable base agreement." (*Foreign Assistance Legislation for Fiscal Years 1984–85: Hearings and Markup Before the Subcommittee on Europe and the Middle East of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), Part 3, pp. 354–355)

[4] In a letter of February 18, 1983, to Prime Minister Andreas G. Papandreou of Greece, delivered the following day, President Reagan wrote: "I regard a new agreement to define our security relationship to be in the interests of both our countries, and this is the aim of the negotiations in which we are currently engaged. In this context, the Administration will seek increased levels of security assistance for Greece above the levels of the current program." (*London Times*, February 21, 1983, p. 6)

Document 189

Transcript of the Department of State Daily Press Briefing, February 4, 1983 (Extract) [5]

Greek Military Assistance Program

. . . . . .

Q. On the security assistance report, have you had a protest from the Greek Government about the projected increase in the Turkish military assistance program?

A. I don't have any information to give you about our discussions with the Greek Government. I would simply note that U.S. security assistance to Greece, as well as U.S. military facilities in Greece, are now under discussion in U.S.-Greek talks on a new Defense and Economic Cooperation Agreement, so-called DECA, which began in late October 1982 and are expected to reach a conclusion this year.

The current proposed FY-84 security assistance program for Greece, therefore, carries over the FY-83 levels. The U.S. Government has informed the Greek Government that in the context of an acceptable DECA, the U.S. Government will seek increased levels of defense support for Greece above the level in the current program.

Q. And the next paragraph on your paper there, will that projected increase, assuming an acceptable agreement, keep the proportion which the Greeks insist is necessary to maintain a military balance in the Aegean and the Eastern Mediterranean—a 7 to 10 ratio?

A. U.S. defense support programs are guided by principles set forth in U.S. law, which include enabling Greece and other NATO allies to fulfill their responsibilities as members of NATO and preserving the balance of military strength in the region, not talking in terms of rigid formulas.

[5] Source: Office of Press Relations, Department of State. The briefing was conducted by Department of State Acting Spokesman Alan Romberg beginning at 12:31 p.m.

Q. In other words, you have abandoned the ratio that the Greeks believe the United States has committed itself to?

A. Our programs have been, and continue to be, guided by the principles set forth in U.S. law, as I say, which includes enabling Greece and other NATO allies to fulfill their responsibilities as members of NATO, and preserving the balance of military strength in the region. But I'm not going to define it more precisely than that, nor have we done so.

. . . . . .

Document 190

Statement Issued by the Department of State, July 15, 1983 [6]

Initialing of Defense and Economic Cooperation Agreement With Greece

The Governments of the United States and Greece announced today completion of successful negotiations on a new Defense and Economic Cooperation Agreement (DECA). Negotiations, begun last October in Athens, were conducted by delegations headed by Ambassador Reginald Bartholomew and Deputy Minister of Foreign Affairs Ioannis Kapsis. The text was initialed by the negotiators, and the agreement will be formally signed at a future date.

The United States sets great importance on its relationship with Greece, a relationship based on shared values and enriched by ties of kinship. Throughout our history as independent states, we have been close friends and allies. We believe this agreement will benefit both countries, their bilateral relationship, and the NATO alliance to which they both belong.

The agreement authorizes the United States to maintain military facilities in Greece under terms and conditions that have been agreed between the parties. As an element of United States-Greek defense cooperation, the administration has requested up to $500 million in foreign military sales credits for Greece for fiscal year 1984.

[6] Source: Department of State files.

Document 191

Transcript of a Department of State Press Briefing, July 15, 1983 (Extracts) [7]

United States–Greece Defense and Economic Cooperation Agreement

. . . . . .

The Governments of the United States and Greece announced today the initialing in Athens of a defense and economic cooperation agreement. [8] The agreement will be signed at a later date at the convenience of both governments.

The negotiations, begun in October in Athens, were conducted by Ambassador Reginald Bartholomew and Greek Deputy Foreign Minister Kapsis.

We believe they have negotiated an agreement which benefits both the United States and Greece as well as the NATO alliance in which we are partners and reaffirms the importance the United States attaches to its traditional relationship with Greece.

Questions?

Q. Papandreou has been saying that after 5 years, bye-bye to the bases, and the United States has only 17 months in which to dismantle them.

Are you saying that very specifically, that at the end of the 5-year period the bases disappear?

A. This agreement is no different in terms of its duration and termination than agreements we have signed with other countries. We have agreements with other countries, as we do now with Greece, that

[7] Source: Department of State files. This background briefing was conducted by a senior administration official beginning at 4:32 p.m.

[8] See the statement, *supra*.

provide for a certain period, and at the end of the period if either party wants to take the initiative and terminate that agreement, they are free to do so. So there's nothing unusual in that. It's the same with other agreements we have with other countries.

Q. So you're suggesting that in terms of language, it's not a terminating agreement?

A. We have had a security relationship with Greece that goes back—an agreement that goes back to 1953, and we are going to continue it under this agreement.

Q. How do you explain the way Papandreou has been advertising this, and the emphasis on the termination after 5 years?

A. I won't explain it. I think he can explain it. But under the terms of this agreement it's quite clear that the United States will continue its security relationship with Greece under the duration of the agreement.

Q. Is there anything in this agreement that is different from the last one in connection with termination?

A. It is, because the last one was signed in a different era. . . . It was one that, as you know, was signed in the early fifties and was going to continue at the convenience of both parties. In recent years I think there has been a different pattern of agreements. They have had a definite duration—normally 5 years like this one—and at the end of the period both sides can decide whether they want to continue it.

Q. Could you give us one example of other countries with whom we have these sort of 5-year agreements?

A. Spain, Turkey, Philippines.

Q. Wasn't there a draft agreement in the late seventies that never got signed?

A. That's right. This is the third try really. We have made two other efforts.

Q. Were those earlier draft agreements 5-year agreements?

A. Yes.

Q. So this is not an innovation in this one?

A. No.

Q. Did the United States seek to resist this termination?

A. No.

Q. Are you saying that this agreement is in fact an agreement to continue the present arrangements? It's simply an extension of what we've got—

A. No. It's a new agreement. You can sit down with the old agreement and new agreement, and kind of compare and contrast. Obviously, as I said before, this is not the early 1950's, but what my point is, it is an agreement that is similar in form and I think in character to other agreements we have signed with other allied governments.

. . . . . .

Q. Is there to be an exchange of letters committing this administration to a 10 to 7 ratio? Turkey, Greece—

A. We do not accept the 10 to 7 ratio.

Q. So there is no such commitment?

A. It's a mechanistic approach to security assistance, and that's been our position.

. . . . . .

Q. While the agreement text, we know, is not yet released, there are reports from Athens, despite what you said about the 7-10 [ratio], where apparently reporters are being given to understand there that the agreement includes a generally worded American commitment to maintaining the balance of military power between Greece and Turkey in the Aegean region.

A. There is language in the agreement which makes reference to existing U.S. law. I think it's the Security Assistance Act of 1961, as amended, which includes, among others—this is the law, not the agreement; the law of the land—includes balance as one of the criteria, which the United States should follow in making security assistance decisions. And there is reference to that law, which is not unusual; but there is no reference to any 7-10 ratio.

. . . . . .

Q. . . . Mr. Papandreou said in his statement quite plainly that at the end of the 5-year period of the agreement, when the agreement terminates and the bases will have to be removed, the United States then has 17 months in which to wind up the operation of the bases. That's rather different. I mean, the 17 months in Mr. Papandreou's terms is a period during which the United States winds up the operations. You're suggesting it is a period during [which] people make up their minds what they are going to do.

A. Both sides, both parties are going to have views on this matter at the end of the 5 years.

Q. Has Papandreou—

A. It's the Greek Government. I mean, this is a sovereign country. We have signed an agreement that is going to last for 5 years. If the Greek Government, at the end of that 5-year period, wants to take that decision, it is free to do so.

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F. Italy

Document 192

Transcript of a Press Conference by President Reagan, January 5, 1983 (Extract) [1]

Italian Investigation of Assassination Attempt Against the Pope

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Q. Mr. President, there have been many allegations that the Bulgarian intelligence service was behind the attempt to assassinate the Pope and that the Soviet intelligence service, the KGB, may have ordered the whole thing. What do you believe? Do you believe the Russians and the Bulgarians were behind it? [2]

THE PRESIDENT. I know that the Italians are investigating and in view of their procedures and their handling of the General Dozier [3] case, I have great confidence in their abilities. But as long as they are investigating, I don't think it would be proper for me to make a comment on this because I would have no information except the same things that all of us know about this.

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Document 193

Statement by Vice President Bush, Rome, February 7, 1983 (Extracts) [4]

Italy, a Vital Part of NATO

Good afternoon, ladies and gentlemen.

I just want to thank our hosts for making our visit one of great warmth and genuine friendship. I have had the pleasure to meet and hold very productive talks with President Pertini, Prime Minister Fanfani, Foreign Minister Colombo, and other leaders.

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Let me first say that we in the United States share Italy's commitment to combat terrorism. We applaud the great work Italy has had in confronting this evil. We remain deeply thankful for the memorable work of the Italian Government in the liberation of General Dozier who finally met,

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[1] Source: White House Press Release, January 5, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, January 10, 1983, p. 15. The press conference took place in the East Room of the White House beginning at 8 p.m.

[2] A reference to an assassination attempt on the Pope, May 13, 1981, by Mehmet Ali Agca, a Turkish national.

[3] General James Dozier was abducted by members of the Red Brigade, January 28, 1982.

[4] Source: Press Release, February 7, 1983, Office of the Press Secretary to the Vice President.

under more pleasant circumstances, with the 14 men who took part in the rescue operation that freed him.

Italy is the fifth nation that I have visited on this seven-country European trip. Tomorrow we leave for Paris and we leave on a note of optimism. The alliance is alive, well, strong, and united. While we are sovereign, independent nations, we hold vitally important common beliefs. We recognize that our strength lies in our unity and we know that our future is tied to the protection of our great freedoms and democratic institutions.

. . . . . .

Today there is a new threat to the Western democracies—a threat based on an unprecedented 15-year Soviet military buildup. This one-sided Soviet buildup seriously threatens the balance between East and West.

Peace in Europe is anchored by military balance, not imbalance. The leaders of the Italian Government and of the other European governments I have met with in the last week, believe that we should hold fast to a policy that will ensure the peace for this and future generations.

. . . . . .

President Reagan and the NATO leaders have asked the Soviet leadership to act boldly and responsibly by banishing once and forever from the face of the earth the land based intermediate-range nuclear missiles it has aimed at the heart of Europe in return for the cancellation of the missiles NATO will begin to deploy this year. Simply stated, we are asking Mr. Andropov to take a giant step for peace.

The NATO position is a moral position. If the Soviet Union doesn't like President Reagan's zero-zero proposal, then why can't they put forward their own proposal designed to achieve the same goal? Our people are waiting for deeds and actions, they are waiting for a Soviet proposal that will ban forever this new class of nuclear weapons.

So far, all we've heard is a barrage of threats and "Nyet"'s. We have seen a public offensive of words designed to weaken the alliance, to decouple Western nation from Western nation, to weaken us, and to diminish our democracies and our liberties.

No one nation can convince Mr. Andropov alone. If we succeed, we will succeed as we have in the past, together, as an alliance. Italy is a vital part of that alliance. It is a great friend and equal partner and a prime guarantor of peace, freedom and justice in Europe and the entire Mediterranean area. We are deeply thankful for the support of the people and of its leaders.

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Document 194

Transcript of the Department of State Daily Press Briefing, February 9, 1983 (Extract) [5]

Italian Investigation of Papal Assassination Attempt

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Q. Alan, do you have anything on Senator D'Amato's allegations in Rome that U.S. intelligence officials at the Embassy in Rome are discouraging investigation into the papal case?

A. I wasn't aware that he had made that charge. I've heard that charge before.

Q. Yes. He did.

A. I thought he said that they weren't pursuing it. In any case, it is certainly not the position of this government to discourage the investigation of this case by the Italian authorities.

We, as we've indicated before, are not conducting an independent investigation.

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[5] Source: Office of Press Relations, Department of State. The briefing was conducted by Department of State Acting Spokesman Alan Romberg beginning at 12:08 p.m.

but it is certainly not our policy to discourage the Italians.

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Document 195

Transcript of the Department of State Daily Press Briefing, June 28, 1983 (Extracts) [6]

Italian Elections

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Q. Do you have any reaction to either the Italian or Japanese elections today? [7]

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[A.] As far as the Italian election is concerned, we anticipate continuity in Italian foreign and security policy. Again, with the Government of Italy, we look forward to working closely with the new Italian Government once it's formed, as we have with Italian Governments in the past.

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[6] Source: Office of Press Relations, Department of State. The briefing was conducted by Department of State Acting Spokesman Alan Romberg beginning at 12:30 p.m.

[7] A reference to the June 26, 1983 Italian elections in which the Christian Democratic and Communist Parties suffered minor losses, while the Socialist Party gained slightly.

Document 196

Transcript of the Department of State Daily Press Briefing, July 22, 1983 (Extract) [8]

Possible Socialist Government in Italy

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Q. Do you have a view toward efforts in Rome of Socialist leaders to form a government? [9]

A. That effort, of course, is going on. If Mr. Craxi is successful in forming a government, we would certainly look forward to a constructive working relationship with him. We have long respected Mr. Craxi and his Italian Socialist colleagues, many of whom we know well and have worked with during their participation in previous Italian Governments. We certainly expect that under Mr. Craxi our relations with Italy will continue to be—or would continue to be, assuming that he forms a government—excellent, as they are now.

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Document 197

Transcript of a White House Press Briefing, October 20, 1983 (Extract) [10]

Similarity of Views of the United States and Italy

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[8] Source: Office of Press Relations, Department of State. The briefing was conducted by Department of State Spokesman John Hughes beginning at 12:15 p.m.

[9] A reference to the aftermath of the June 26, 1983 Italian elections.

[10] Source: Office of the Press Secretary to the President. The briefing was conducted on background by an administration official in the Briefing Room of the White House beginning at 2:02 p.m.

I'd like to say that this meeting that we had today with Prime Minister Craxi was an excellent meeting. I was struck, myself, by the degree of warmth and personal rapport that was generated between the President and the Prime Minister, although they'd come from different backgrounds—he'd been a socialist premiere in a relatively short term of office, and a Republican—a conservative Republican President.

Upon examination of the issues that they discussed today, there was tremendous degree of similarity in their views on foreign policy and, also, in the way in which they're both attacking their domestic problems.

The issues that were discussed today I think are most familiar to you. Of most concern at the present time, of course, is the larger question of security in Europe. Both the Prime Minister and the President agreed that it was vitally necessary to pursue negotiations in Geneva, to somehow break through the Soviet intransigence that has characterized those negotiations and search for a solution. If no success is reached at Geneva, then both the Prime Minister and the President recommitted themselves to deployments this year. [11]

They both were especially concerned over recent Soviet statements regarding the future of the negotiations and threats that the Soviets might employ in Eastern and Western Europe. I must say that the Prime Minister was extremely impressive. And he has demonstrated to a great degree the emergence of Italy as a major player in the Western Alliance—not just in the missile issues in Western Europe but, also, with a special eye toward the Mediterranean and in the broader Mid-East questions.

The President and the Prime Minister went into some depth to the situation in the Middle East, particularly that in Lebanon. Again, they agreed to redouble their efforts to try to secure a peaceful solution there. And both agreed that there were military peacekeeping measures that were necessary at the present time. However, the Prime Minister emphasized—and the President agreed—that they must look beyond military training or military peacekeeping missions to try to issue initiatives that would aim at reconstruction of Lebanon. That is, by providing incentives for the various factions to come together to build a more prosperous and democratic Lebanon. [12]

In this regard, Foreign Minister Andreotti and Secretary of State Shultz will be meeting later to try to develop more specific and concrete proposals in order to carry this forward.

In addition to the security issues, the President and the Prime Minister reviewed other trouble spots in the world to include Central America. And they discussed their different approaches, and their similar approaches, to domestic problems—where both had agreed that combating inflation was a problem of the first magnitude. The President, again, brought to Prime Minister Craxi the good news on the economic recovery in this country and expressed the hope that the American economic recovery will assist Italy and other European nations in pulling out of their recessions.

The Prime Minister was quite frank in explaining the domestic economic problems now present in Italy, and explained some of the methods which he hoped to pursue in order to alleviate that situation.

I think of special significance growing out of this meeting today was an agreement to establish a joint commission to combat organized crime and narcotics trafficking. As you may be aware, about 80 percent of the heroin that enters the northeast part of the United States emanates from Italy. Now, the Prime Minister was especially forceful in devoting himself, personally, to the cause of eliminating this trafficking and over the overall problem with organized crime. The President was heartened by this. He has asked Attorney General Smith to proceed further in his negotiations with the Italians on these proposals. And I believe the Attorney General will have more information on this joint effort on combating narcotics trafficking and organized crime later today.

I think I would just conclude on that point. And, again, I think—just personally—I'd like to reiterate that the two indi-

[11] Reference is to arms reduction talks and the deployment of intermediate-range missiles in Europe.

[12] Both the United States and Italy had contributed contingents of peacekeeping troops in Lebanon.

viduals, the President and Prime Minister Craxi, seemed to have developed a strong, personal chemistry. And I would suspect that this would be the beginning of a long series of coordination between their efforts.

Q. The Prime Minister said the path of negotiations must remain open in any case. Do you see any shade of disagreement or even possible skepticism of the U.S. position that the deployment should continue because indeed the Soviets have threatened to end the negotiations? Do they disagree on what ought to take place if there's no agreement in December?

ADMINISTRATION OFFICIAL. I found absolutely no disagreement. To reiterate again Prime Minister Craxi and the President said we will pursue the negotiations in good faith. The Prime Minister was especially adamant that—he brought to light again the Soviet intransigence and the unrealistic nature of the Soviet proposal in which they would hope to maintain a nuclear theatre monopoly in West Europe and refusing to negotiate seriously.

The Prime Minister stressed that the ultimate goal must be the elimination of missiles from Europe, or at the very least at the lowest possible level. Both he and the President feel strongly that we are going to pursue negotiations. There is I think a reasonable chance that we can succeed by the end of the year. But if the Soviets have not reached agreement with us, then both sides, the Italians and the Americans, have agreed that the deployments will proceed on schedule.

Q. —say they should remain open in any case. And they won't remain open if the American deployment goes through and the Soviets fulfill their threat to walk away.

Now, does he suggest—

ADMINISTRATION OFFICIAL. Prime Minister—

Q. —that that isn't the way to go?

ADMINISTRATION OFFICIAL. No, Prime Minister Craxi has made it quite clear. He is saying to the Soviets—He said, "You must remain at the negotiating table. We must proceed here. We must continue to seek out means to reduce the missile threat in Europe."

The Prime Minister was especially concerned, as you may recall, from the letter that he wrote to Andropov and his remarks there. And he, and I think quite clearly, told Mr. Andropov that we must—"You must drop these intransigent demands. We must continue to pursue the negotiations and we must move away from threats." And the various threats that the Soviets have issued through various spokesmen were reviewed also.

Q. How about the reports that the Italian construction of the missile sites is behind schedule and that they might not be able to physically meet the December—

ADMINISTRATION OFFICIAL. No, the construction in Comiso is proceeding on schedule.

Q. Was there discussion in this meeting on control of the missiles? In other words, who would have operational control of the missiles?

ADMINISTRATION OFFICIAL. I can't discuss that.

Q. Did it come up in the discussions?

ADMINISTRATION OFFICIAL. No.

Q. Was there any hint by the Prime Minister playing some sort of mediating role between East and West?

ADMINISTRATION OFFICIAL. Absolutely not. No, no. No, absolutely not. No, the—I think the Prime Minister made it quite clear that he is a stalwart member of the Western alliance and that no time has he considered that he would have some special role in mediation.

Q. Did demonstrations, did political unrest come up as the result of the deployment? Did the Prime Minister bring up the point that it could be a tough time in Southern Italy? In Sicily?

ADMINISTRATION OFFICIAL. That didn't come up. And I'm not sure that the demonstrations have reached a level where that it is such. But it didn't come up in this meeting.

Q. Was there discussion of the political implications for the Prime Minister, the deployment's political implications for the government, for the Prime Minister?

ADMINISTRATION OFFICIAL. Domestically in Italy?

Q. Yes.

ADMINISTRATION OFFICIAL. No, that didn't come up.

Q. The missiles that are going in in Italy, are they all going into Sicily?

ADMINISTRATION OFFICIAL. Yes.

Q. Does that begin with the first deployment in December or is it scheduled for later?

ADMINISTRATION OFFICIAL. December.

Q. You said the threats that the various Soviet spokesmen have been making were discussed. What was the—what did the President say about those threats?

ADMINISTRATION OFFICIAL. Well, the President just once again reiterated that the Soviets ought to do their negotiating at the table, that he felt that the Soviets hope to employ a combination of intimidation through their nuclear missile monopoly and threats that were designed to foster the peace movements.

I will say that—and he repudiated this ploy, as did the Prime Minister—and I think, if—I wouldn't be talking out of school that the Prime Minister pointed out that the Soviet Union had tried on many occasions to weaken Reagan's position at home through these methods. It was the Prime Minister's observation that in fact they had not succeeded and in fact it probably strengthened his position.

Q. Was there any discussion of contingencies that the United States might take in response to Soviet threats?

ADMINISTRATION OFFICIAL. No, there was no discussion of any contingencies should the Soviets follow through on one of their threats.

Q. What are these incentives you're talking about in Lebanon?

ADMINISTRATION OFFICIAL. This involves—this, as I've told you, would be flushed out with further discussions between Prime Minister—or Foreign Minister Andreotti and with the Secretary of State.

In concept, this would involve some sort of incentives toward reconstruction, perhaps financial, that the various communities would come together in a commercial sense to reinstigate the Lebanese bond of nationalism to try to downplay the differences between the various factions.

Q. You said they agreed on the threat of inflation. Do you see any significance in the Italian leader mentioning the need for international prosperity first? Is this an echo of the disagreement between the United States—or really between Mr. Reagan and the European leaders as to our policies in economics?

ADMINISTRATION OFFICIAL. I was going to agree with you at first that it does have a lot to do with international prosperity on the whole and that the U.S. role, as it could pull the other countries out of their recession. But, no, there was absolutely no disagreement on that.

THE PRESS. Thank you.

Document 198

Statements by President Reagan and Italian Prime Minister Craxi, October 20, 1983[13]

Italy, One of America's Closest and Most Stalwart Allies

THE PRESIDENT. Prime Minister Craxi visits us as the leader of one of America's closest and most stalwart allies. Italy in recent years has emerged as one of the principal nations of the Western Alliance. Prime Minister Craxi by assuming leadership of the Italian people has quickly established himself as a major figure in global politics. We're impressed by the dynamic and statesmanlike leadership provided by the new Italian Government and we're particularly pleased by this opportu-

[13] Source: White House Press Release, October 20, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, October 24, 1983, pp. 1472–1474. Prime Minister Craxi visited the United States from October 19 to 21, 1983. The statements were made beginning at 1:28 p.m. in the East Room of the White House following Prime Minister Craxi's meeting with President Reagan. Prime Minister Craxi spoke in Italian, and his remarks were translated by an interpreter.

nity today to deepen our consultations and broaden our cooperation with our trusted Italian friends.

Italy is playing a crucial role in the NATO effort to correct the imbalance in nuclear forces in Europe. In our discussion today, Prime Minister Craxi and I reviewed the INF negotiations between the United States and the Soviet Union and reaffirmed our goal—an equitable and verifiable agreement. If Soviet intransigence continues, we're committed to NATO deployment of U.S. missiles. We remain hopeful that an understanding will be reached and we'll continue negotiations even after initial deployments. Indeed for 2 years, the United States has negotiated in good faith while the Soviets have continued to deploy theatre nuclear weapons. The Prime Minister and I also reviewed developments in other arms control fields.

The United States and Italy share a common approach to the forthcoming Conference on Disarmament in Europe where we will be attempting to reduce the risk of surprise attack in Europe by improving observation capabilities and by providing a better understanding of military forces and activities. We're striving for reductions of conventional forces and to establish parity in ground forces in Central Europe. I expressed to the Prime Minister our deep appreciation for the positive contributions Italy is making to Mediterranean security and to the search for peace in the Middle East.

Italy was among the first nations to offer its forces for service in the Sinai to help implement the historic Camp David accords. Italian and American soldiers now are bearing the difficult burdens of peacekeeping in Lebanon. We are cooperating there not only in keeping the peace, but in making peace as well. The Prime Minister and I reviewed our common efforts to promote genuine political reconciliation within Lebanon and to work toward the restoration of Lebanese sovereignty throughout that troubled nation. I cannot overemphasize the importance of the Italian diligence in this crucial effort. We examined the world economy, discussed our respective efforts to deal with the economic challenges we face. I expressed our understanding of the difficult economic problems Italy presently confronts and our support for the tough but essential measures the Italian Government is taking to restore balanced and noninflationary growth. I expressed the hope that our own strong recovery would help Italy lift itself out of its present recession. I've been especially impressed by Prime Minister Craxi's commitment to attack organized crime and narcotics trafficking. We share a crucial interest in efforts to suppress the international traffic in narcotics. Accordingly, the Prime Minister and I have agreed to establish a joint Italian-American working group on organized crime and narcotics trafficking.

Prime Minister Craxi comes to our shores as an especially welcome guest. In international affairs where the element of personal trust is so essential, such meetings as this are invaluable. I'm delighted to say that the Prime Minister and I have laid the basis today for continuing the open, cooperative, and mutually helpful relationship which has been traditional between our two governments and their leaders.

PRIME MINISTER CRAXI. I am particularly grateful to President Reagan for the warm welcome accorded me during my visit to the United States. I consider this welcome, primarily, as a homage to the Italian nation. I, also, thank President Reagan for the special attention that—together with members of his government—he has dedicated to the problems and to the views which I've had the opportunity to expose to him this morning on behalf of the Italian Government.

I, myself, have conveyed to President Reagan the message of friendship from the Government of Italy and from the Italian people to the government and to the American people, also—a friendship that belongs to the history of our democratic tradition as well as to the future of our two countries. During our talks, which have been friendly and open—and I believe reciprocally very useful—we have carefully examined—with mutual constructive hopes—several matters. These matters are essential to attain peace both in Europe and in the world: problems and prospects of international economy; the development of Italian-American relations; issues of common interest for industrial cooperation; and for an in-depth struggle against crime and the international drug traffic connected to it.

Both the United States and Italy are firmly seeking peace, which they consider—with absolute conviction—the most precious gift to mankind, and are both

committed to solve international problems and disputes through peaceful means. Within the framework of the Atlantic Alliance, our two governments will work toward strengthening peace, aiming to maintain open prospects for negotiations in the field of disarmament and arms control so as to guarantee peace through security.

On the question of nuclear balance in Europe, which presently is the most important in East–West relations, we intend to maintain the present system of close consultation and of constructive solidarity, and to develop a line of combat coherent with the decisions already adopted by our countries. We have followed the path of negotiations which must remain open in any case. Should a launching of the program for the modernization of NATO missile systems occur, due to the negative negotiation policy followed by the USSR and by the Warsaw Pact, our intention is to continue to urge Soviet willingness toward serious negotiations without preconditions aimed at achieving a reasonable agreement, providing for some means of control and some guarantees toward an equilibrium of the agreed forces at the lowest possible level, a policy of peace, which must operate in every region of the world so as to terminate conflicts and to reduce the most dangerous frictions, in full respect of the sovereignty of nations and of the rights of peoples.

In this spirit, Italy intends to assure its constructive contribution by taking upon itself direct responsibilities in humanitarian and peace missions, such as it's the case for the Sinai and Lebanon, aimed at achieving unity, independence, and the reconstruction of Lebanon.

However, a policy of peace must necessarily be linked to a wider international economic cooperation. This is why we have compared our points of views on the difficult period of the world—that the world economy is experiencing. In view of fostering a stable and lasting recovery, Italy and the United States must promote a further increase in the volume of their trade and cooperation which will further strengthen the excellent political relations already existing between our two countries.

Also, in view of an ever-effective fight against organized crime which is involved in international drug traffic and which is challenging and threatening our societies, a special joint commission will be set up and the necessary steps will be taken so that it may operate in the most effective way.

In our meeting today, both President Reagan and myself have reaffirmed the feeling of friendship which binds our two countries, reaffirming the commitment of our governments for the safeguard of peace.

Thank you.

Document 199

Statement Issued by the Department of State, December 15, 1983 [14]

Denial of Visa for Retired Italian General Pasti

Q. Did the Department deny the visa of an Italian general, a NATO general, Nino Pasti?

A. Mr. Pasti, a retired general and a former senator, was denied a visa on October 18, 1983, at the American Embassy in Rome under Section 212(a)(27) of the Immigration and Nationality Act. This section excludes from the United States aliens whose admission would be contrary to the public interest.

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[14] Source: Office of Press Relations, Department of State. The statement was posted in response to a question asked earlier that day at the Department of State Daily Press Briefing.

G. Portugal

Document 200

Prepared Statement by the Assistant Secretary of State for European Affairs (Burt) Before a Subcommittee of the Senate Foreign Relations Committee, March 9, 1983 (Extract) [1]

Request for Security Assistance for Portugal

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Portugal is a close, reliable, and strategically important ally. It has consistently stood by us, taking a forthright stand on such international issues as Poland and Afghanistan, an interested and helpful stance on problems in the Middle East, and it is a valued interlocutor regarding developments in southern Africa. Furthermore, the facilities it makes available for our use as part of our security cooperation relationship are critical to NATO resupply and reinforcement, and to possible contingencies in other parts of the world.

We are currently engaged in negotiations regarding that relationship. While the negotiations are in abeyance at the moment pending the elections of a new government in Portugal, we are confident that it will be possible to arrive at a new and mutually satisfactory agreement in the course of the year.

It is clearly in our own interests to do so. Not only are the facilities to which we have access vital, but our security cooperation relationship is closely tied to the process through which Portugal seeks to expand its own direct and active contribution to Western defense efforts.

Portugal is a charter member of NATO, and takes seriously its alliance responsibilities. It wants to play a more active role in NATO, and we welcome this desire. At the same time, the Portuguese economy has been very hard hit by the international recession, and Portugal needs help from its friends if it is to be able to carry out the military modernization required for it to meet NATO force goals and expand its own participation and contribution to the common defense.

It is clearly in our own interests to encourage this effort, and we and other NATO partners are engaged in a concerted effort to do so.

The multilateral program, to which our own security assistance is partially directed, focuses on the construction of three new ASW frigates, which would enable Portugal to assume an important role in ASW protection of the central Atlantic. Other anticipated purposes of our assistance include a second squadron of A–7 aircraft, a few more C–130's for support of a NATO-dedicated airlift brigade, and P–3 aircraft to contribute to ASW effort. Military training is a further and integral part of the effort to enable Portugal to contribute more actively and effectively to the defense of the West.

Economic support funds are also important. Portugal is the poorest country in Western Europe, and the Azores Islands, where most of these funds would go, have a per capita income one-third that of the country as a whole. These funds are an important expression of our support for Portuguese democracy and of our friendship for the Portuguese people. The remaining portion of these funds would be aimed at creating a Luso-American Foundation to coordinate private efforts at economic and technical cooperation following the elimination of AID in Portugal.

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[1] Source: *Security and Development Assistance: Hearings Before the Committee on Foreign Relations, United States Senate, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 523–524. Burt's statement was submitted to the Subcommittee on European Affairs.

Document 201

Statements by President Reagan and Portuguese President Eanes, September 15, 1983 [2]

Mutual Praise for U.S.-Portuguese Warm, Valuable Friendship

THE PRESIDENT. Mr. President, Nancy and I are honored and delighted to welcome you and Mrs. Eanes to the United States. Ever since President George Washington opened formal diplomatic relations between Portugal and the new American Republic, our history has been one of warm friendship. And, Mr. President, I know I speak for our people when I say a friendship as warm and true as ours is more valuable than the richest treasure. I've looked forward to this opportunity to get to know you personally and to discuss relations between our two countries, as well as international matters of mutual interest.

In the 9 years since the revolution of April 25th, 1974, Portugal has made great strides in building a vigorous democracy. Today, the fundamental institutions of a democratic country, an open press, a free economy and broadly-based political parties, are in place and flourishing. We in the United States recognize, Mr. President, that the establishment of democracy in your country met sharp challenges. Portugal's success in surmounting those challenges demonstrates the courage of your leaders and the love of your people for freedom.

And you, yourself, Mr. President, have played a large and crucial role during these past 9 years. You have stated that Portugal must have an open, clear democracy, and as President, you've labored tirelessly to give Portugal just that. Your efforts have earned you not only a place in your nation's history, but a chapter in the noble story of freedom throughout the world.

In foreign relations, our two countries share a number of vital interests, and these will receive due attention during our discussions today. I might note in particular, Mr. President, that your nation's experience in Africa gives Portugal a unique and invaluable perspective on current events on that continent, especially in Angola and Mozambique. Both our nations are actively interested in southern Africa, and your country has always been generous in sharing with us insights drawn from your own wide experience. During your stay here, I would like to discuss southern Africa, and I want you to note that the United States not only values the counsel you've given to us on this matter in the past, but intends to remain in close consultation with Portugal about it in the future.

Along with our allies, Portugal and the United States share the responsibility of defending the Western World. Our security relationship is critical to the NATO Alliance and to both our nations. We in the United States take pride in our military cooperation with your country. Currently, our two governments are negotiating a new Security Cooperation Agreement that will broaden and strengthen our collaboration on common defense objectives. [3] The United States fully supports Portugal's efforts to enlarge its role in Western defense. We recognize that as those efforts proceed, Portugal will need to modernize its armed forces, and we're committed to helping you do so.

We take further pride, Mr. President, in the economic cooperation that we have established with Portugal, particularly in recent years. That cooperation expresses the concern of the American people for the well-being of the Portuguese people

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[2] Source: White House Press Release, September 15, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, September 19, 1983, pp. 1254–1256. The source text is the text as actually delivered. The statements were made at 10:09 a.m. during an arrival ceremony for the President of Portugal, Antonio Dos Santos Ramalho Eanes, on the South Grounds of the White House. President Eanes made a State visit to the United States from September 14 to 20, 1983.

[3] Reference is to negotiations conducted in Lisbon between U.S. Ambassador Allan Holmes and the Government of Portugal to conclude an extension of the defense agreement between Portugal and the United States of America regarding use of facilities in the Azores, September 6, 1951; for text, see 5 UST 2263. This agreement was subsequently extended and amended, November 15, 1957 (8 UST 2353), December 9, 1971 (22 UST 2106), June 18, 1979 (TIAS 10050), and December 13, 1983 (no TIAS number yet assigned).

and this country's unshakeable support for your country's economy and democracy.

Mr. President, 15 days ago an event took place that sickened people throughout the world. The Korean Air Lines massacre reminds us that although we in the West belong to a community of nations that strives to do good, others in the world do not shrink from doing evil. Let us in the Western Alliance join together to retrieve meaning from those stories of innocent deaths, and let us rededicate ourselves to the defense of human freedom.

I am confident, Mr. President, that your visit to the United States will strengthen relations between our two countries and reaffirm our commitments to shared goals. I know that my countrymen are eager to give you a warm reception. Nearly half a million Portuguese have come to America as immigrants and both they and their descendants have earned the gratitude of all Americans by contributing honorably and diligently to the building of our own country.

So once again, Mr. President, Mrs. Eanes, on behalf of the American people, welcome to the United States. (Applause)

PRESIDENT EANES. Mr. President, I wish to thank you for the most generous welcome you have extended to us and for the words addressed to me as the representative of the Portuguese people who, as you know, is a loyal and firm ally of the United States of America. The ties uniting Portugal and the United States are indeed strong. The Portuguese maritime adventure, the Atlantic organization and the geopolitical concepts that it imposes, the sharing of the same democratic ideals, and the presence in the United States of a large and significant Portuguese community create real affinities and require from our countries a mutually advantageous approach. It is with great pleasure that I pay this official visit to your country, Mr. President, certain as I am that it affords an opportunity for an open and frank exchange of views on political and international developments, and, in a very special way, on the most positive means of strengthening the relations between our two countries.

It will thus be possible to reaffirm our loyalty to mutual commitments and to reinforce our longstanding cohesion in the defense of our common interests. This is an objective that is imposed on us by the present and by the future, and it is an aim that it is all the more important to attain inasmuch as your actions, Mr. President, have proved, through your courage and your consistency in the defense of democratic principles, that the values of freedom have in you a committed defender.

Portugal is a small country with a long history and vast political experience. With its eight centuries of independence, Portugal has participated in the long and complex course leading to the Europe we know today. But with its act of [*active*?] presence in various regions of the world that it discovered and helped to know and to develop, Portugal has gained practical political knowledge that contributes to our unique way of relating to and understanding other peoples. From our history, we draw the conviction that the assertion of freedom of expression and of pluralist democracy, as well as the permanent guarantee of human rights and firmness in the defense of the essential values of society, cannot be called into question. For us, the search for negotiated solutions to all conflicts, respecting other positions and different cultural patterns is also natural provided that those solutions do not run counter to the autonomy and sovereignty of each people and are expressed in terms of a common concern for safeguarding the peace.

In these last few years, the Portuguese overthrew a dictatorship half a century old and managed to overcome new totalitarian attempts through the rigorous fulfillment of the rules of a pluralist democracy at a time when some believed that such an objective was already impossible to achieve. The Portuguese showed that when democracy is given an opportunity, a serious, committed opportunity, the totalitarianisms that deny freedom are defeated by the only real and consistent way of ensuring victory: the citizens' free choice.

But the superiority of democracy must equally be evidenced in its capacity to guide society, adjusting social expectations to what it is really possible to organize. Societies or some social groups, when faced with the impossibility of attaining material expectations that they consider legitimate or that have been promised to them, may question the validity of global models of political organization and then nourish radical tendencies.

Only a political power that is democratically legitimate, competent and efficient and able to ensure the balance of interests, a negotiated consensus and conscious participation will be able successfully to carry out the tasks of economic reorganization.

In this regard, the greatest concern for the present and the immediate future lies in the economic area, both in respect of Portugal and within the framework of the Atlantic Alliance and of international relations in general. And further, it is in that context of global democratic concern that it is justified to expect the demonstration of the solidarity of the democratic countries and, first of all, of the United States. In this way, our security will be reinforced, guaranteeing the present and future substance of the Atlantic Alliance and illustrating, in many other areas and in practical realities, that all truly democratic forces and programs may count on effective support.

I am certain, Mr. President, that our exchange of views on these and other subjects, while confirming our alliance, will justify a future of active and committed cooperation. I look forward to meeting with you, Mr. President, and discussing with you means for us to carry out this fruitful cooperation in the future between the United States and Portugal.

Thank you very much. (Applause)

Document 202

Transcript of a Department of State Press Briefing, September 15, 1983 (Extracts) [4]

U.S.-Portuguese Issues Aired

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SENIOR DEPARTMENT OFFICIAL. I missed dessert for this briefing. I will just try to briefly run down the issues that were discussed by the two Presidents today.

First of all, the atmosphere was very warm by virtue of the fact that year in and year out, the United States-Portuguese relationship is a very cooperative one. The Portuguese, as they have demonstrated most recently, I think, with the suspension of Aeroflot flights for 30 days, have been for 40 years probably one of the most loyal allies that the United States has had. Some of you know the background of this including the 1973 Middle East war, and the crucial role that their bases in the Azores played in that effort. The base issue—the question of Portuguese bases—was discussed, and both sides stressed the importance of moving ahead with the negotiations which have begun, and both sides desire to wrap up an agreement as quickly as possible.

Our negotiator for those talks is our Ambassador in Lisbon, Allan Holmes, and he, of course, is back with the Portuguese President. Some of the details and some of the questions in those negotiations have been discussed by the Secretary of State and the Foreign Minister [5] as well as Mr. Holmes.

Looking at broader forms of political cooperation, there was some discussion of NATO issues, INF and Geneva talks. The Portuguese President praised the decision by President Reagan to continue the Geneva negotiations, and strongly supported the December 1979 decision. [6]

I mentioned the other forms of political cooperation, the question of the Korean airliner, probably the most important. There was some discussion on the impact on European public opinion of the episode, with both Presidents agreeing that it would likely reduce the appeal of the neutralist or the pacificist sentiment in Europe. The Portuguese, as I said, have taken a stronger position on the airliner than many of our other allies, suspending flights by Aeroflot to Lisbon for thirty days. That is a fairly important route for the Soviets because they fly into Lisbon and then fly on to Havana.

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[4] Source: Department of State files. The briefing was conducted on background by a senior Department of State official beginning at 1:05 p.m.

[5] Jaime Gama, Portuguese Foreign Minister.

[6] Regarding the 1979 decision, see the communiqué issued at a Special Meeting of NATO Foreign and Defense Ministers in Brussels, December 12, 1979, printed in *American Foreign Policy: Basic Documents, 1977–1980*, pp. 494–496.

There was a lot of discussion on economic problems. As you may know, Portugal has been negotiating with the IMF,[7] and as part of that negotiation has announced some sweeping austerity measures. The Portuguese decision to adopt those measures was praised by the President and the Secretary of the Treasury in the meetings this morning. President Reagan was able to brief President Eanes on the implications for the world economy of the United States recovery.

There was some discussion of the domestic political scene in Portugal. The Portuguese, as you know, have made major progress in building a stable democracy. . . .

Then, finally—and I don't mean to say finally because it is the least important, because it's very important—there has been a good deal of discussion on southern Africa. Assistant Secretary Chester Crocker recently visited Portugal where he met with President Eanes and others, and discussions this morning were a good followup to those. The Portuguese, needless to say, have a great deal of experience in Angola, Mozambique and other parts of southern Africa, and desire to play a larger role in that region, and the United States strongly supports that.

In his discussions [he focused?] on how the United States and Portugal could cooperate in working on southern African problems. . . .

My final point concerns the fact that traveling with the Portuguese President and the Foreign Minister was the Regional President of the Azores.[8] Most Portuguese-Americans—and I think there are, roughly, 1,000,000 in the United States—come from the Azores. The United States has a special relationship with the Azores which was pointed out in very strong terms by the Regional Azorean President, and he had the opportunity to talk about the special problems of the Azores with the President.

I'll be happy to answer any of your questions.

Q. Did the President ask for any more U.S. aid? He seemed to make a mention of that during his remarks.[9]

A. They are, obviously, interested in U.S. security assistance. They have important military modernization needs. Our security assistance funding for Portugal has increased in recent years, and we intend to increase that amount in the years ahead. The President was able to tell the Portuguese President that that is our intention.

This is, obviously, a question that will be related, not formally but indirectly related, to the the base negotiations.

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Q. Are there any hangups on that base negotiation? How soon do you expect that to be—

A. I wouldn't want to speculate, but we are interested in achieving an agreement, as are the Portuguese, as quickly as possible.

Q. When does the current agreement expire?

A. It expired earlier this year, but as with other agreements, there is a grace period, which I think lasts for one year for the two sides.

Q. But there are no special issues in this?

A. I don't think there are any particularly special issues. As you know, we have been negotiating with other countries—recently Spain—and we've completed an agreement there;[10] with the Greeks; and outside of Europe, the Philippines. I would say that, roughly, the issues are the same.

Q. It's tied to more, to a substantial increase in aid?

A. I wouldn't say that. I wouldn't necessarily say that.

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[7] A $480 million IMF stand-by-loan to Portugal was negotiated in May 1983.

[8] Joa Mota Amaral.

[9] *Supra.*

[10] Reference is to the U.S.-Spanish Agreement on Friendship, Defense and Cooperation, with complementary agreements, and exchanges of notes, signed at Madrid on July 2, 1982, and entered into force on May 14, 1983. (TIAS 10589)

Q. How is it tied to any increase in economic assistance?

A. Well, we do not tie any of our base agreements formally to increases in aid, but obviously, the Portuguese do have economic problems, and they have military modernization needs; and we want to be as helpful as we can.

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Document 203

Statement by the Secretary of State (Shultz), Lisbon, December 13, 1983 [11]

U.S.-Portugal Defense Agreement Extended

It is a pleasure for me to sign on behalf of the United States this new defense agreement further extending the long period of cooperation between our two nations. [12]

The conclusion of this agreement is a tribute to both our countries, as a reaffirmation and a major example of the shared values and strong ties of cooperation which have existed for many years between Portugal and the United States. From those values we draw strength in our joint determination to defend the freedom of our peoples, the independence of our nations, and the maintenance of the peace in a troubled world. The accord we sign today makes a major contribution towards those goals and in so doing not only enhances our bilateral relationship but also the vitality of NATO.

That sense of joint purpose has been reflected in the discussions it has been my privilege to hold these past two days with Portugal's leaders. We touched on many subjects, regarding both our bilateral relationship and major issues on the international scene. I drew useful insights from our talks and I believe we found ourselves in agreement on many specific points. What struck me most, however, was the clarity and strength of our common desire to promote individual dignity and the defense of freedom within our own societies and the world at large, and our willingness to work together to achieve those ends. This signing ceremony is thus a fitting culmination to a most successful visit [13] and I will depart Portugal grateful for the hospitality shown me and pleased in the knowledge that the bonds of friendship and cooperation between our two countries are strong and enduring.

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[11] Source: Department of State Press Release 419, December 14, 1983; also printed in Department of State *Bulletin*, February 1984, p. 18. The Secretary spoke at the bilateral agreement signing ceremony.

[12] This new bilateral agreement, signed on December 13, 1983, in Lisbon, and entered into force on February 4, 1984, further extended the 1951 defense agreement between Portugal and the United States regarding use of facilities in the Azores.

[13] The Secretary visited Lisbon, December 12–13, 1983, as the final stop of his consultations in Europe and Africa. He departed Washington on December 6, 1983, to visit Bonn, December 6–7; Brussels, December 7–9, for the semiannual session of the North Atlantic Council ministerial meeting; Tunis, December 9–10; and Rabat, December 10–12.

H. Soviet Union and Eastern Europe

Document 204

Transcript of the Department of State Daily Press Briefing, January 6, 1983 (Extract) [1]

Reaction to the Warsaw Pact's Proposal for a Nonaggression Treaty With NATO

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Q. . . . the President spoke rather briefly on the Warsaw Pact nonaggression

[1] Source: Office of Press Relations, Department of State. The briefing was conducted by Department of State Spokesman John Hughes beginning at 12:20 p.m.

matter last night. [2] Maybe he wasn't prepared. Are you prepared to amplify the response?

A. As the President said last night, we will consider this proposal in consultation with our allies. Peace with justice must always be this nation's highest priority. We are, and will continue to be, receptive to ideas which would genuinely promote peace and peaceful settlements of disputes. In our discussions with our allies, we will consider whether this is such a proposal.

At their summit in Bonn last year, the leaders of the NATO countries pledged that none of NATO's weapons would ever be used except in response to aggression. [3] The President has underscored this on a number of occasions. Indeed, the principle of nonaggression is a key provision of the UN Charter to which we and our NATO Allies have long subscribed. At first glance, this proposal does not seem to represent anything new. But as the President said, we will look at it.

We learned from bitter experience between the two World Wars that simple declarations of peaceful intent are not enough. What we need are concrete results, which not only reduce the danger of war, but which contribute to an atmosphere of increased trust. To this end, the proposals that we have made in the Geneva and the Vienna negotiations on both nuclear and conventional forces are designed to achieve genuine, substantial cuts in the arsenals of both sides, as well as measures to enhance mutual confidence. [4]

Q. What concrete examples or steps would you like to see the East bloc take, so it would be more than a declaration?

A. I don't want to go beyond what President Reagan said, but in addition to the arms proposals the President has on the table, the President has proposed a number of confidence-building measures, and it seems to me there are various areas in which they could react swiftly to the President's various initiatives.

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Document 205

Address by President Reagan, Camp David, Maryland, January 8, 1983 [5]

"If There Are To Be Better Mutual Relations, They Must Result From Moderation in Soviet Conduct, Not Just Our Own Good Intentions"

My fellow Americans, today I'd like to share with you some thoughts on one of the most important aspects of America's role in the world—our relations with the Soviet Union. Keeping the peace for both countries, for that matter, for all mankind depends on our wise and steady management of this relationship.

As you know, a new leader has come to power in Moscow. [6] There has been much speculation about whether this change could mean a chance to reduce tensions and solve some of the problems between us. No one hopes more than I do that the

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[2] Reference is to President Reagan's response to a question asked at his press conference on January 5, 1983; see *Weekly Compilation of Presidential Documents*, January 10, 1983, p. 14. The questioner asked the President for his reaction to the proposal for a nonaggression pact with NATO, which was contained in the communiqué issued by the Political Consultative Committee of the Warsaw Pact held in Prague, January 4–5, 1983. For extracts from the communiqué, including the nonaggression proposition, see *Current Digest of the Soviet Press*, February 2, 1983, pp. 4–6.

[3] Reference is to the declaration of the heads of state and government at the North Atlantic Council meeting in Bonn, June 10, 1982; for text, see *American Foreign Policy: Current Documents, 1982*, pp. 486–488.

[4] Reference is to the INF and START talks in Geneva and the MBFR talks in Vienna.

[5] Source: White House Press Release, January 8, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, January 17, 1983, pp. 25–26. The President spoke on nationwide radio beginning at 12:05 p.m.

[6] Following the death of Leonid I. Brezhnev on November 10, 1982, Yuri Andropov was appointed General Secretary of the Communist Party of the Soviet Union and quickly emerged as the new Soviet leader.

future will bring improvement in our relations with the Soviets and an era of genuine stability.

What could be more important than reducing the danger of confrontation, increasing the prospects for enduring peace, lowering nuclear arsenals, relieving human suffering in Afghanistan and Kampuchea and elsewhere? With your support, this administration has embarked on an effort to restore our nation's strength, credibility and clarity of purpose in the world.

Our aim has been to insure that America has the will and the means to deter conflict and to defend the interest of freedom. We've done this for one reason and one reason only—because a strong, respected America is the surest way to preserve the peace and prevent conflict.

In this effort, we must learn from history. We all experienced the soaring hopes and then plunging disappointment of the 1970's, when the Soviet response to our unilateral restraint was to accelerate their military buildup, to foment violence in the developing world, to invade neighboring Afghanistan and to support the repression of Poland.

The lesson is inescapable. If there are to be better mutual relations, they must result from moderation in Soviet conduct, not just our own good intentions.

In recent days, some encouraging words have come out of Moscow. Clearly the Soviets want to appear more responsive and reasonable. But moderate words are convincing only when they're matched by moderate behavior.

Now, we must see whether they're genuinely interested in reducing existing tensions. We and our democratic partners eagerly await any serious actions and proposals the Soviets may offer and stand ready to discuss with them serious proposals which can genuinely advance the cause of peace. We do not insist that the Soviet Union abandon its standing as a super power or its legitimate national interests.

In fact, we hope that the new leadership in Moscow will come to realize that Soviet interests would be improved by ending the bloodshed in Afghanistan, by showing restraint in the Middle East, by permitting reform and thus promoting stability in Poland, by ending their unequaled military buildup as we have proposed, by reducing the most dangerous nuclear arms to much lower and equal levels.

We stand ready to work toward solutions to all outstanding problems. Now, this doesn't mean that we should neglect our own defenses. That would undercut our ability to maintain peace and jeopardize whatever chance we may have for changing Soviet conduct. But it does mean that we're always ready to sit down with the Soviets to discuss practical steps that could resolve problems and lead to a more durable and genuine improvement in East–West relations.

Next month, Soviet and American negotiators will resume talks in Geneva on strategic and intermediate-range nuclear forces. We've proposed drastic cuts in those threatening intermediate-range forces. The Soviets have responded in both negotiations with proposals of their own. So, a serious foundation for progress has been laid. America will negotiate energetically and in good faith to achieve early agreements providing for reduced and equal levels of forces. The Soviet leadership must understand that the way to reduce the nuclear threat is by negotiating in the same sincere spirit and not by trying to sow division between the American people and our NATO partners. That kind of negative tactic is certain to fail and can only delay real progress.

A cornerstone of our approach to relations with the Soviet Union is close consultation with our allies on common political and security issues. In this spirit, I've asked Vice President Bush to travel to Europe. Beginning at the end of this month, he will visit the Federal Republic of Germany, the Netherlands, Belgium, Switzerland, Italy, France, and Great Britain and at the Vatican he will meet with Pope John Paul II. In Switzerland the Vice President will meet with the negotiating teams for the Strategic Arms Reduction Talks, which we call START, and the Intermediate-Range Nuclear Forces Arms Control Talks we call INF and will attend a meeting of the Committee on Disarmament in Geneva.

The Vice President's visit to these close friends and allies and his discussions at the Vatican and in Geneva underscore our fundamental commitment to peace and security in Europe and to genuine arms reductions.

So, the new year begins with reason for all of us to hope that if we continue to act firmly and wisely, 1983 can be a time of peaceful progress for America, for our allies, for the people of the U.S.S.R. and for the entire world.

Until next week, thanks for listening and God bless you.

Document 206

Address by the Under Secretary of State for Political Affairs (Eagleburger) Before the Governing Board of the World Jewish Congress, February 1, 1983 [7]

Review of U.S. Relations With the Soviet Union

Leonid Brezhnev is dead, and Yuri Andropov governs in his place. And for many Western pundits the way is now open—if we Americans, they say, but have the wit and will—to bring about a fundamental change in the relationship between the United States and the Soviet Union. I am here tonight, ladies and gentlemen, to tell you that—although I might wish it were so—I do not believe it to be so.

The reality is that while, of course, personalities are influential in setting the course the two super powers will follow, the divergence of views, history, and interests is so basic that no one man—indeed no group of men—can affect, except at the margins, the fundamentally competitive nature of our relationship.

It is, indeed, nice to know that Mr. Andropov may like to listen to the music of Tommy Dorsey, browse through the novels of Jacqueline Susann, and wear cuffs on his pants, but he also rose to the heights through the Communist Party of the Soviet Union, was Soviet Ambassador in Hungary in 1956—a vintage year in the history of Soviet oppression—and spent more than 15 years as head of the KGB, which is not widely known for its liberal predilections.

Even were he to wish it were otherwise, Mr. Andropov's room for maneuver is limited. He must govern by a form of limited consensus, since he is beholden to the men who chose him for his post. And, even if he had more scope to act alone, there is no reason to believe he would be inclined to make sweeping changes. He is a product of the Soviet system. It is a system that has sheltered his life's work, promoted and rewarded him, and now given him supreme power. If he believes in nothing else, he certainly believes in keeping it going. In short, the new General Secretary is no doubt a good Communist, but he is certainly not a revolutionary.

But if the next Russian revolution is not just around the corner, neither should we expect that everything in the Soviet Union will, in the future, be exactly as it has been in the past. The country, under the General Secretary's rule, will not be a carefully preserved museum of the Brezhnev years. Historically a change of leadership in the Soviet Union has set in motion social and political changes that affect more than just the composition of the Politburo. Long-delayed decisions can at last be made. New courses, if not radically new ones, can be charted.

The prospect of some change in Soviet conduct—indeed, our desire for change—is one reason why the first few months of the Andropov regime are an appropriate time to take stock of where we stand with the Soviet Union. Certainly the Soviets are reviewing where they stand with us. It is appropriate, as well, because this administration has now had responsibility for conducting American relations with the Soviet Union for 2 years.

Our policy toward the U.S.S.R. starts from the fact that both of us have weapons of almost unimaginable destructive force. Each of us can do mortal damage to the other in an afternoon. Our weapons are not the result of failed judgment, or of a military-industrial complex spinning out of control. We arm because the Soviet Union is armed and aggressive.

The differences between the Soviet Union and the Western World are deeply rooted. We have radically different political values, visions of the proper social order, and aspirations for the future of the international system. While we in the West are fundamentally committed to individual liberty, to free elections, the ac-

[7] Source: Department of State files; also printed in Department of State *Bulletin*, March 1983, pp. 81-84.

countability of those who govern to the governed, to economic freedom, and to a world order that fosters those values, the Communist Party of the Soviet Union is just as fundamentally opposed to all of those principles.

But even more ominous than these differences is the Soviet decision to translate our philosophical rift into a global, military competion. They have made us rivals.

We are rivals not because the Soviets do not respect our interests, but because they respect only their own. Our moral commitment to the rule of law, to peaceful change, and to the safety of the weak from domination by the strong compel us to view the Soviets not only as our rival, but as the rival of a humane world order.

We cannot wish these differences away. And we will not abandon our values. In fact, we are determined to advance them. This administration welcomes an open and peaceful competition between our visions of man's future. President Reagan has recently launched a program to promote democratic values and institutions abroad; [8] it is a program that has already drawn substantial Soviet fire, so its potential effectiveness must worry them.

Our rivalry, then, must continue so long as our two nations remain true to the principles upon which they were founded. But because our arms make the rivalry so dangerous, we must keep it within bounds. We and the Soviets have few common interests. But, so long as the West remains strong, we do share one fundamental interest—that of avoiding war. American policy toward the Soviet Union must fall between the impossible and the unacceptable; we must steer a middle course between the friendship we cannot have and the war we must not have.

The aim of this administration is plain. We want relations with the Soviets that are as cordial and cooperative as our deep differences permit. But such a relationship has two fundamental requirements.

First, there must be a military balance. History offers few clear lessons for those who manage our nation's affairs, but one of them surely is that an imbalance of military power between two rivals leads to trouble. Where such an imbalance exists for long the stronger party talks, while the weaker listens. Soon the stronger makes demands, and the weaker submits.

Over the past decade America's investment in defense lagged behind that of the Soviet Union. During the 1970's we spent between 4 and 5 percent of our gross national product on defense; the Soviets spent 12 to 14 percent of theirs. In that decade, our defense spending declined in real terms. Theirs increased by 4 to 5 percent per year. These facts have clearly affected the course of Soviet conduct for much of the past 10 years. We have, then, little choice but to increase our defense effort to make up for the ground we have lost.

Our efforts are designed to assure equality in the military relationship. We do not seek an arms race, but we will not—we cannot—accept second best. We are not trying to spend the Soviet economy into the ground. Indeed, we would not mind at all if the Soviets improved their economic condition by spending less on their military. We arm for a single purpose: to deter the use of Soviet arms against us or our allies.

Our effort to maintain a stable military balance is entirely consistent with our goal of improved relations with the Soviet Union. In fact, the one is clearly necessary for the other—a reality that some, of late, seem to have forgotten. There is great wisdom in the story of the first-time visitor to Jerusalem who tells an Israeli he meets that he is surprised to see so many weapons in the land of the Bible. "It is true," the Israeli tells him, "that the Bible says that on the day of days the lion shall lie down with the lamb. But," he continues, "the day of days hasn't come yet. And even then," he adds, "I'd rather be the lion than the lamb."

The second fundamental requirement for an improved relationship with the Soviet Union is simply stated: The Soviet Union must observe certain basic standards of national conduct. We do not insist that the Soviet Union abandon legitimate national interests or its standing as a superpower. But what possible legitimate Soviet interest would be threatened were they to live up to standards that are plainly written into documents they themselves

[8] Reference presumably is to Project Democracy.

have signed—the Helsinki Accords,[9] the United Nations Charter, even their own Constitution? Yet these standards have been violated time and time again. The Soviet occupation of Afghanistan, the suppression of the popular desire for reform in Poland, the Vietnamese imperial control of Kampuchea at the behest of the Soviet Union, their Cuban proxy's promotion of instability in southern Africa and Central America, the denial of basic human rights to their own citizens—all these acts demonstrate that the Soviets have not only failed to abide by the rules of civilized societies, they have failed to keep their word.

When the Soviet buildup far exceeds any legitimate defense requirement, when they deploy forces in Eastern Europe, the Far East and the Indian Ocean that have no conceivable defensive mission, when they intimidate our European and Asian allies to try to prevent them from taking measures that their own unwarranted military initiatives have made necessary, it is difficult to credit the Soviet Government with peaceful intentions. When the Soviets threaten Japan with nuclear devastation on the heels of Prime Minister Nakasone's visit here,[10] are they not to be taken seriously? When elementary human rights are denied where Communist governments hold power, when Anatoliy Shcharanskiy is cruelly imprisoned instead of being allowed to emigrate, and Andrei Sakharov is held under house arrest far from his home under no formal charge, and when one of the first acts of the new Soviet leadership is to threaten the distinguished historian Roy Medvedev, we in the West, for whom human rights are of paramount importance, must not pretend that more cordial East-West relations will be easy to achieve.

It is these policies, undertaken by the Soviet Union and its allies, that have poisoned East-West relations. This is the crucial point that some in the West are too ready to forget. Our relations have been bad because Soviet aggression and provocation have made them bad. When aggression and provocation cease, relations will improve.

This has been the message of the Reagan administration for the past 2 years. I believe it is getting through. The Soviets know where we stand. They understand the principles that underlie our positions. They understand that we are committed to our principles, and that we have strength of purpose and have not lost our will.

I cannot tell you this evening that we have achieved our goals. As we meet, surface to air missiles are being deployed to Syria, and Soviet soldiers are killing Afghan freedom fighters. Vietnamese forces occupy Kampuchea. Cubans by the thousands are garrisoned in Africa, while other Cubans, also in the thousands, sow subversion in Central America. Throughout Eastern Europe and the Soviet Union the furtherance of human rights is a popular aspiration, but not government policy. In sum, a basis does not yet exist for the long term relationship with the Soviet Union that we want, a relationship marked by restraint and a modicum of cooperation.

The prospects for such a relationship depend on the course that Soviet foreign policy takes in the coming months. All the good will and hope in the world on our side will not remove the obstacles the Soviets have created. What really matters is how the Soviet leaders see their own prospects, at home and abroad. Here some informed speculation is possible.

The leadership confronts a formidable problem: the state of the Soviet economy. Mr. Andropov has said so, with a candor that some may have found refreshing and that was certainly unusual. The familiar diseases of Communist economies—shortages of goods, poor quality in those goods that are available, corruption, a thriving black market—have worsened. In short, the iron hand of the central planners stifles initiative, innovation, and imagination. The Soviets are suffering, as well, from the burden of empire: restless nationalities, Eastern European satellites held in check by force and force alone, and overextension in the Third World.

Let me not overstate the difficulties that the Soviets face. The economy is not about to collapse. The Soviet Government has a well-developed capacity for forcing

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[9] Reference is to the Helsinki Final Act of the Conference on Security and Cooperation in Europe, August 1, 1975; for text, see Department of State *Bulletin*, September 1, 1975, pp. 323-350.

[10] Reference is to a commentary by the Soviet news agency TASS, which warned that Japan's rearmament "could spell a national disaster more serious than the one that befell it 37 years ago."

the people it rules to bear hardships. The Russian people—and the other peoples of the Soviet empire—have long experience in adjusting to deprivation. The regime and the people have faced far worse times than these and survived.

There is no sign that their economic difficulties will force the Soviet leaders to reduce their military spending. Nor are their troubles compelling them to pull back from the military adventures they have undertaken or sponsored beyond their borders.

But they have gone no further. If they have not withdrawn from Afghanistan, they have perpetrated no new Afghanistans. For this the economic squeeze the Soviet leaders must be feeling undoubtedly deserves some credit. The cost of further adventures is likely to look forbidding to them. But even more important, they know they must reckon with America's clear and steady determination to defend Western interests. To the degree the Soviets have become more hesitant about causing new problems over the last 2 years, our firmness and steadiness deserve some of the credit.

This lesson—that only Western resolve brings Eastern reasonableness—is nowhere more valid than in arms control negotiations. Before NATO decided in 1979 to respond to the alarming growth in the Soviet nuclear threat to our European allies,[11] the Soviets swore that such a decision would end all hope for a negotiated solution. Their purpose was to derail the decision so that they would have no need to negotiate. Within months of NATO's decision to deploy, the Soviets were at the negotiating table. Now Moscow insists that if NATO goes through with its decision to modernize its intermediate-range nuclear forces, the negotiations will end and the Soviet nuclear threat will be increased.

Even if this were true, the alliance cannot but carry out its plans. What is at stake here goes far beyond the details of the INF imbalance. If NATO, as a result of Soviet political pressure, were to abandon a program that is essential to assure the security of Europe it would be the beginning of the end of an effective Western alliance. If the Soviets learn that we and our allies lack the will, in the face of missile-rattling, to carry out difficult decisions commonly arrived at, then we can look forward to ever more aggressive behavior each time we seek to respond to Soviet provocations.

I am convinced that negotiations will not end when our deployments begin. Indeed, while we will spare no effort to get an equitable agreement before we deploy, it may be that the Soviets will not negotiate in good faith until we prove that we will carry out our decision.

We have made a negotiating proposal that offers the Soviets what they want: the elimination of our Pershing II and ground-launched cruise missiles. We and our partners have made clear what we must have in return: The elimination of the Soviet missile threat to which our deployments are a response. It is a matter of principle to us—indeed, a matter of survival—that if there is a threat it must not go undeterred.

The only adequate deterrent to the Soviet threat to our European allies is an American deterrent present in Europe. Some in Western Europe profess to see some logic in the Soviet demand that European security be left to the Europeans, including themselves but excluding America. If there is one fundamental truth of the postwar era, it is that peace and freedom in Europe is possible only if American power is committed to offset Soviet power. British and French power alone cannot meet this requirement; our allies and the Soviets alike know this.

The Soviet objective—which is as evident in their negotiating proposals as it is in their missile buildup—is to place the democracies of Western Europe under a nuclear shadow, to push America back across the Atlantic, and to make the Soviet homeland a sanctuary.

The Soviets seek to appear reasonable and to make us appear unreasonable, in the hope of cracking alliance unity and destroying European resolve. If they stick to this aim they will be utterly disappointed. Far better that Yuri Andropov and his colleagues quickly come to understand what Leonid Brezhnev did not: that debate in the West is a reflection of our unique strength, not our weakness—and that

[11] Reference is to the communiqués issued by the special meeting of the NATO Foreign and Defense Ministers on December 12, 1979, and the meeting of the NATO Foreign Ministers on December 14, 1979. For texts, see *American Foreign Policy: Basic Documents, 1977–1980*, pp. 494–499.

when we say we will accept an equal agreement and nothing less, we mean it.

In the long run it does not serve Soviet interests to depend on disorder, subversion, and tyranny. It is said that the Soviets take the so-called "long view" of politics. The facts suggest that they do not. Their invasion of Afghanistan was short-sighted; they did not understand that the world would neither forget nor accept this crime. Their support for the war against freedom in Poland is short-sighted; they do not understand that the Polish people will never accept enslavement. Their repression of the Soviet Jewish community is short-sighted; they do not understand 2000 years of Jewish history and the will to survive. If Yuri Andropov and his colleagues would only come to accept the "long view" they would understand that no country can prosper if it depends only on military power; they would understand that no nation can be truly great that denies to its citizens the free practice of their religious and cultural heritage.

We stand ready to cooperate in arrangements that would reduce the differences between us, and bring the Soviets into the family of responsible nations. Ours is not an agenda for humiliating the Soviet Union. It is a formula for more cordial, constructive Soviet-American relations. Soviet leaders constantly complain that we do not give them the respect they deserve as a superpower, but the possession of great power carries with it special responsibilities, including the obligation to respect the rights of others, to show restraint, and to live up to universally-recognized standards of conduct. The Soviets cannot earn our respect by amassing and misusing power; they can earn it by responsible behavior.

What conclusions can be drawn from this analysis? You may well find reason for pessimism in my remarks. After all, my main themes would have been pertinent at almost any moment during the past 35 years.

We find ourselves in the position of the man in the small Jewish community in Eastern Europe in the last century whose job it was to sit at the village gate all day waiting for the approach of the Messiah. "Isn't your job boring?" someone asked. "Sure it's boring," he replied, "but at least the work is steady."

The work of trying to moderate Soviet conduct over the last three decades has been anything but boring. I wish that it might have been otherwise; international affairs could use a little more tedium.

But boring or exciting, we are determined to take the steps necessary to protect our friends and ourselves from aggressive Soviet conduct. We will maintain our alliances, despite the difficulties that such international partnerships always involve. We will sustain the balance of military power, despite the sacrifices that this imposes on our citizens and despite Soviet attempts to undermine popular support for this policy. And we will stand firm on our principles and steady in our position in disputes with the Soviets, although this taxes our patience and our national impulse for problem solving.

We are prepared to work with the Soviets in search of solutions to the problems between us, though we cannot ignore the fact that in most cases these problems are the result of Soviet misconduct. If the Soviets try in earnest to remove the obstacles to a better relationship, they will find us ready for relations of mutual respect, for cooperation in areas of mutual interest, and for ensuring that competition remains peaceful where our interests conflict.

To the extent that the Soviets continue to act as international outlaws, we will meet the challenges they present. The American people are committed to this course over the long term; not just for the life of this administration, but for as long as necessary. Like the job of standing at the village gate, we will bring steadiness and perseverance to the task of leading the West.

Whatever course the Soviet Union chooses to follow, we will work on our own and with our friends to build a world order compatible with our values and our interests. The U.S.S.R. is, admittedly, a major player on the world scene. But we must not be mesmerized by that fact. There are other issues—other weighty problems that we can and will deal with no matter what the Soviets do.

We will continue our efforts to revitalize the institutions of international economic cooperation, to spur recovery and promote domestic and international economic growth. We will continue our efforts to resolve dangerous conflicts. I need not

remind this audience of our deep concern for peace in the Middle East. That concern is the basis for the President's September initiative. We are committed to the security of Israel within defensible borders; we will work for a peaceful, united Lebanon and a just resolution of the Arab-Israeli conflict. We will continue our global efforts to make the peaceful settlement of disputes the normal international practice. We will, as well, remain dedicated to the protection of human rights throughout the international community, a goal which is threaded throughout our entire foreign policy.

These endeavors will proceed with or without Soviet cooperation. These efforts must be made whatever the state of U.S.-Soviet relations. And the more peaceful, prosperous, and humane the international community becomes, the fewer opportunities there will be for Soviet mischief and the stronger the pressure on Soviet leaders to moderate their conduct and eventually accept a role as a great and responsible nation.

My message tonight is not a dramatic one. I cannot promise sweeping changes in U.S.-Soviet relations. There is no basis for such a promise. I cannot tell you when modest improvements will take place. That is up to the Soviets. And I must caution you that improvements, if they do come, are bound to be modest. We will not see the day of days with the Soviet Union. Our rivalry will, I fear, outlive all of us in this room. But we can hope, and work, to see days more tranquil, less heavy with menace, than those of the recent past.

Document 207

Transcript of a White House Press Briefing, San Francisco, March 4, 1983 (Extract) [12]

Intention To Terminate Romania's Most-Favored-Nation Status

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MR. SPEAKES. . . . The President today is announcing the termination of the most-favored-nation status for Romania. [13] It's effective June 30th, 1983. If the education repayment decree of the Romanian—

Q. Go a little slower, please.

MR. SPEAKES. If the education repayment decree remains in effect for that date, the situation is this: That the government of Romania on October 22nd, 1982, announced a decree that would require immigrants to repay cost of their education before they can leave the country. This is contrary, in our opinion, to the letter and spirit of Section 402 of the 1974 Trade Act, the so-called Jackson-Vanik amendment. [14] We have informed the Romanian Government of our decision to do so. Basically, their decree calls for immigrants to repay to the state the cost of all education and training beyond the tenth grade level before they are allowed to leave the country.

The decree was announced November 1st, 1982, and the effective date—the wide-scale implementation began in February of this year. We regard this as a serious new barrier to immigration and we have raised this matter with the Romanians both before and after the decree was announced.

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[12] Source: Office of the Press Secretary to the President. The briefing was conducted by Larry Speakes, Principal Deputy Press Secretary to the President, at the St. Francis Hotel beginning at 10:07 a.m.

[13] For the President's statement of March 4, 1983, see *Weekly Compilation of Presidential Documents*, March 14, 1983, p. 337.

[14] P.L. 93–618, approved January 3, 1975; for text of Section 402, see 88 Stat. 2056.

We believe that this cannot help but have a negative impact on our bilateral relations, but there are certain areas where mutual cooperation remains desirable and feasible, and it is in the interest of both countries to maintain as constructive a relationship as possible.

Q. Can you go back to "desirable," Larry?

MR. SPEAKES.—remains desirable and feasible, and it is in the interest of both countries to maintain as constructive a relationship as possible.

The Romanian exports to the United States in 1982 were valued at $400 million; in 1981, at $560 million. U.S. exports to Romania for those 2 years were about $225 million for '82 and $504 million for '81. The Commerce Department estimates that Romanian exports to the United States will fall by at least 50 percent in the first year after our MFN is terminated and that U.S. exports to Romania can expect similar declines.

We are prepared to recommend that we restore the MFN status to Romania if the Romanian Government stops implementing its decree and improves its immigration procedures. The number of emigrants, according to Romanian figures, in 1982 about 20,000 people received permission to emigrate. We believe that this decree will be, as I said, a serious impediment to immigration and is very likely to prevent many people from leaving who would have been able to do so before the decree was implemented.

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Document 208

Statement by President Reagan, May 1, 1983 [15]

"The Current Struggle and Travails of the People of Poland Are of Truly Historic Import to the Entire World"

More than 16 months ago the Polish Government began its campaign to stamp out the unprecedented achievements of Solidarnosc, the Solidarity Movement. In creating a genuinely free and independent trade union, Solidarity and Lech Walesa sparked renewed hope in the hearts of the Polish people for attaining the basic human values that movement seeks to uphold. Despite martial law, the legal abolition of Solidarity, and a continuing wave of suppression—carried out under intense Soviet pressure—the spirit of Solidarity still shines as a beacon of freedom to people around the globe. The plight of Solidarity's leaders and its ideals remains vividly real not only for its nearly ten million members, but among all those concerned with the dignity and liberty of a great people.

Today Poland stands at a crossroads. The Polish Government faces an alienated populace and an economy in ruins. But a policy of reconciliation, of permitting the Polish people a genuine voice in their own future could galvanize the energy and vision of this long-suffering nation to solve its economic problems and vigorously pursue a new and better life for all. As I said on December 10th of last year, [16] this administration will respond if the Polish Government introduces meaningful liberalization measures. But such steps cannot

[15] Source: Department of State files. The source text, which bears the President's handwritten signature at the bottom, was prepared for a Solidarity Rally held in Lafayette Square in Washington on May 1, 1983. The President's statement was read at this rally by Department of State aide Larry W. Roeder, Jr. Portions were quoted in the *Washington Post*, May 2, 1983, p. A16.

[16] Reference is to the President's remarks at a Human Rights Day ceremony on December 10, 1982. For text, see *American Foreign Policy: Current Documents, 1982*, p. 702.

be merely cosmetic. They must represent real progress toward a restoration of the fundamental rights of the Polish people.

The current struggle and travails of the people of Poland are of truly historic import to the entire world. We will never be distracted from the significance of developments in that nation. What we have witnessed is a genuine struggle of workers in a so-called workers' state for basic human and economic rights. The Polish people have exposed the fundamental inequalities inherent in a Communist system and the falsehood of Communist claims that the workers are the true beneficiaries of a party-run state. Indeed, we salute the courage of the Poles who daily face intimidation and harassment. Their heroic resistance to their Government's attempts to suppress Solidarity serves as an inspiring display of the indomitable desire for freedom in the hearts of men and women everywhere.

We want the Polish people to know that the future of Poland and free trade unions is a matter of deep concern not only to the administration but to the American people, as your presence here today testifies. We pledge our solidarity with them and our vigilance for the restoration of human rights in that country.

Document 209

Message From President Reagan to the Congress, June 3, 1983 (Extracts) [17]

Recommendation For Extension of Waiver Authority Under the Trade Act of 1974 for Hungary and Romania

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I recommend to the Congress that the waiver authority granted by subsection 402(c) of the Trade Act of 1974 (hereinafter "the Act") be further extended for twelve months. Pursuant to subsection 402(d) (5) of the Act, I have today determined that further extension of such authority will substantially promote the objectives of section 402, and that continuation of the waivers currently applicable to the Hungarian People's Republic and the People's Republic of China will also substantially promote the objectives of section 402 of the Act. With respect to the Socialist Republic of Romania, I have today also determined that continuation of the waiver currently applicable to that country will substantially promote the objectives of section 402 of the Act. This determination is based on assurances provided by the Socialist Republic of Romania that it will no longer require reimbursement to the State of education costs as a precondition to emigration, and that it will not create economic or procedural barriers to emigration. My determination is attached to this Recommendation and is incorporated herein. [18]

The general waiver authority conferred by section 402(c) of the Act is an important means for the strengthening of mutually beneficial relations between the United States and certain countries of Eastern Europe and the People's Republic of China. The waiver authority has permitted us to conclude and maintain in force bilateral trade agreements with Romania, Hungary, and the People's Republic of China. These agreements continue to be fundamental elements in our political and economic relations with those countries, including our important productive exchanges on human rights and emigration matters. Moreover, continuation of the waiver authority might permit future expansion of our bilateral relations with other countries now subject to subsections 402(a) and (b) of the Act, should circumstances permit. I believe that these considerations clearly warrant this recommendation for renewal of the general waiver authority.

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[17] Source: White House Press Release, June 3, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, June 6, 1983, pp. 825–826. The source text is an attachment to President Reagan's letter of transmittal to the Congress. Omitted here is this cover letter, the section of his recommendation for extension of waiver authority for the People's Republic of China, and the Presidential determination contained in the President's memorandum to the Secretary of State, June 3, 1983.

[18] The President's determination, contained in his memorandum to the Secretary of State, June 3, 1983, is printed *ibid.*, pp. 826–827.

I also believe that continuing the current waivers applicable to Hungary, the People's Republic of China and Romania will substantially promote the objectives of section 402 of the Act.

Hungary —Hungary continues to take a positive and constructive approach to emigration matters. The Hungarian record of the past year, during which all outstanding problem cases were resolved, was excellent. The number of Hungarian citizens who apply to leave Hungary remains small and emigration permission is granted apparently without undue difficulty. There are no sanctions imposed on those who seek to emigrate, nor do emigration procedures appear excessive.

. . . . . .

Romania—Emigration from Romania to all countries has approximately doubled and emigration to the United States has increased sixfold since the granting of MFN to Romania in 1975.[19] In 1982, about 2,500 persons emigrated from Romania to the United States, while about 20,000 emigrated worldwide. This administration initiated discussions with the Government of Romania on the improvement of emigration procedures. The rate of Jewish emigration to Israel in the period September 1982 to March 1983 was nearly double that of the same period in 1981–82. I will continue to monitor closely Romania's performance in improving its emigration procedures and in the area of Jewish emigration to Israel.

Implementation in February, 1983, of the education repayment decree of November 1, 1982, imposed a requirement that any Romanian citizen wishing to emigrate must repay in convertible currency the costs of education received beyond the compulsory level (10 years of schooling). This requirement conflicts with the letter and spirit of section 402. For that reason, on March 4, 1983, I announced my intention to terminate MFN status for Romania on June 30, 1983, if the tax was still in force by that date.[20] Since that time, I have received assurances from the President of Romania that Romania will not require reimbursement to the State of education costs as a precondition to emigration, and that Romania will not create economic or procedural barriers to emigration. Based on these assurances and on the above-described emigration performance, I believe that continuation of the waiver applicable to Romania will substantially promote the objectives of the Act.

For the above reasons, I have determined that continuation of the waivers for Hungary, the People's Republic of China and the Socialist Republic of Romania will substantially promote the objectives of the Act.

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[19] For text of the 1975 Agreement on Trade Relations Between the United States of America and the Socialist Republic of Romania, in which each nation, among other things, conferred most-favored-nation treatment to the other's products, see 26 UST 2305.

[20] See document 207.

Document 210

Statement by the Secretary of State (Shultz) Before the Senate Foreign Relations Committee, June 15, 1983 (Extracts)[21]

U.S.-Soviet Relations in the Context of U.S. Foreign Policy

Thank you, Mr. Chairman,[22] distinguished members of this committee.

I appreciate the opportunity to meet with you and discuss our approach to United States-Soviet relations in the context of our broader foreign policy. As you have suggested, this has all sorts of dimensions to it that weigh on peoples' minds. And it is, of course, a subject that I have thought about a great deal.

[21] Source: *United States-Soviet Relations: Hearings Before the Committee on Foreign Relations, United States Senate, Ninety-eighth Congress, First Session* (Washington, 1983), Part I, pp. 3–11, 16–17. Omitted from Secretary Shultz's statement here is his assessment of the state of the U.S. dialog with the Soviet Union in the areas of human rights, arms control, regional issues, including Afghanistan and Southern Africa, and economic and other bilateral relations.

[22] Senator Charles H. Percy.

The President has not only taken the time to talk with me about this, but has read through this testimony and made a few suggestions, which I found it possible to accept, and has signed off on the testimony. I feel very confident in saying that I am speaking not only for myself, but for the President in this statement.

The management of our relations with the Soviet Union is of utmost importance. That relationship touches virtually every aspect of our international concerns and objectives, political, economic, and military, and every part of the world.

We must defend our interests and values against a powerful Soviet adversary that threatens both. And we must do so in a nuclear age, in which a global war would even more thoroughly threaten those interests and values. As President Reagan pointed out on March 31: "We must both defend freedom and preserve the peace. We must stand true to our principles and our friends while preventing a holocaust." It is, as he said, "one of the most complex moral challenges ever faced by any generation." [23]

We and the Soviets have sharply divergent goals and philosophies of political and moral order; these differences will not soon go away. Any other assumption is unrealistic. At the same time, we have a fundamental common interest in the avoidance of war. This common interest impels us to work toward a relationship between our nations that can lead to a safer world for all mankind.

But a safer world will not be realized through good will. Our hopes for the future must be grounded in a realistic assessment of the challenge we face and in a determined effort to create the conditions that will make their achievement possible. We have made a start. Every postwar American President has come sooner or later to recognize that peace must be built on strength. President Reagan has long recognized this reality.

In the past 2 years this Nation—the President in partnership with the Congress—has made a fundamental commitment to restoring its military and economic power and moral and spiritual strength. And having begun to rebuild our strength, we now seek to engage the Soviet leaders in a constructive dialog—a dialog through which we hope to find political solutions to outstanding issues.

This is the central goal we have pursued since the outset of this administration. We do not want to—and need not—accept as inevitable the prospect of endless, dangerous confrontation with the Soviet Union. For if we do, then many of the great goals that the United States pursues in world affairs—peace, human rights, economic progress, national independence—will also be out of reach. We can—and must—do better.

With that introduction, let me briefly lay out for this committee what I see as the challenge posed by the Soviet Union's international behavior in recent years and the strategy which that challenge requires of us. Then I would like to discuss steps this administration has taken to implement that strategy. Finally, I will focus on the specific issues that make up the agenda for United States-Soviet dialog and negotiation.

Together, these elements constitute a policy that takes account of the facts of Soviet power and of Soviet conduct, mobilizes the resources needed to defend our interests, and offers an agenda for constructive dialog to resolve concrete international problems. We believe that, if sustained, this policy will make international restraint Moscow's most realistic course, and can lay the foundation for a more constructive relationship between our peoples.

It is sometimes said that Americans have too simple a view of world affairs, that we start with the assumption that all problems can be solved. Certainly we have a simple view of how the world should be—free peoples choosing their own destinies, nurturing their prosperity, peaceably resolving conflicts. This is the vision that inspires America's role in the world. It does not, however, lead us to regard mutual hostility with the U.S.S.R. as an immutable fact of international life.

Certainly there are many factors contributing to East–West tension. The Soviet Union's strategic Eurasian location places it in close proximity to important Western interests on two continents. Its aspirations for greater international influence lead it to challenge these interests. Its Marxist-Leninist ideology gives its leaders a perspective on history and a vision of the future fundamentally different from our

[23] See document 36.

own. But we are not so deterministic as to believe that geopolitics and ideological competition must ineluctably lead to permanent and dangerous confrontation. Nor is it permanently inevitable that contention between the United States and the Soviet Union must dominate and distort international politics.

A peaceful world order does not require that we and the Soviet Union agree on all the fundamentals of morals or politics. It does require, however, that Moscow's behavior be subject to the restraint appropriate to living together on this planet in a nuclear age. Not all the many external and internal factors affecting Soviet behavior can be influenced by us. But we take it as part of our obligation to peace to encourage the gradual evolution of the Soviet system toward political and economic pluralism and above all to counter Soviet expansionism through sustained and effective political, economic, and military competition.

In the past decade, regrettably, the changes in Soviet behavior have been for the worse. Soviet actions have come into conflict with many of our objectives. They have made the task of managing the Soviet-American relationship considerably harder, and have needlessly drawn more and more international problems into the East-West rivalry.

To be specific, it is the following developments that have caused us the most concern.

First is the continuing Soviet quest for military superiority even in the face of mounting domestic economic difficulties. In the late 1970's the allocation of resources for the Soviet military was not only at the expense of the Soviet consumer. It came even at the expense of industrial investment on which the long-term development of the economy depends. This decision to mortgage the industrial future of the country is a striking demonstration of the inordinate value the Soviets assign to maintaining the momentum of the relentless military buildup under way since the mid-1960's. This buildup consumed an estimated annual average of at least 12 percent of Soviet GNP throughout this entire period, and has recently consumed even more as a result of the sharp decline in Soviet economic growth. During much of this same period, as you know, the share of our own GNP devoted to defense spending actually declined.

The second disturbing development is the unconstructive Soviet involvement, direct and indirect, in unstable areas of the Third World. Arms have become a larger percentage of Soviet exports than of the export trade of any other country. The Soviets have too often attempted to play a spoiling or scavenging role in areas of concern to us, most recently in the Middle East. Beyond this, the Soviets in the seventies broke major new ground in the kinds of foreign military intervention they were willing to risk for themselves or their surrogates. This has escalated from the provision of large numbers of military advisers, to the more extensive and aggressive use of the proxy forces as in Angola, Ethiopia, and Indochina, and finally to the massive employment of the Soviet Union's own ground troops in the invasion of Afghanistan. In this way, the Soviet Union has tried to block peaceful solutions and has brought East-West tensions into areas of the world that were once free of them.

Third is the unrelenting efforts to impose an alien Soviet "model" on nominally independent Soviet clients and allies. One of the most important recent achievements in East-West relations was the negotiation of the Helsinki Final Act, with its pledges concerning human rights and national independence in Europe. Poland's experience in the past 2 years can be considered a major test of the Soviet Union's respect—or lack of it—for these commitments. Moscow clearly remains unwilling to countenance meaningful national autonomy for its satellites, let alone real independence. Elsewhere in the world, the coming to power of Soviet-supported regimes has usually meant, as in Afghanistan, the forcible creation of Soviet-style institutions and the harsh regimentation and repression of free expression and free initiative—all at enormous human, cultural, and economic cost.

Fourth is Moscow's continuing practice of stretching a series of treaties and agreements to the brink of violation and beyond. The Soviet Union's infringement of its promises and legal obligations is not confined to isolated incidents. We have had to express our concerns about Soviet infractions on one issue after another—human rights and the Helsinki Final Act, yellow rain and biological warfare. We are

becoming increasingly concerned about Soviet practices—including the recent testing of ICBM's—that raise questions about the validity of their claim of compliance with existing SALT agreements. Little else is so corrosive of international trust as this persistent pattern of Soviet behavior.

This assessment of Soviet international behavior both dictates the approach we must take to East–West relations, and indicates the magnitude of the task.

If we are concerned about the Soviet commitment to military power, we have to take steps to restore the military balance, preferably on the basis of verifiable agreements that reduce arms on both sides, but if necessary through our own and allied defense programs.

If we are concerned about the Soviet propensity to use force and promote instability, we have to make clear that we will resist encroachments on our vital interests and those of our allies and friends.

If we are concerned about the loss of liberty that results when Soviet clients come to power, then we have to insure that those who have a positive alternative to the Soviet model receive our support.

Finally, if we are concerned about Moscow's observance of its international obligations, we must leave Moscow no opportunity to distort or misconstrue our own intentions. We will defend our interests if Soviet conduct leaves us no alternative; at the same time we will respect legitimate Soviet security interests, and are ready to negotiate equitable solutions to outstanding political problems.

In designing a strategy to meet these goals, we have, of course, drawn in part on past strategies, from containment to détente. There is, after all, substantial continuity in U.S. policy, a continuity that reflects the consistency of American values and American interests. However, we have not hesitated to jettison assumptions about United States-Soviet relations that have been refuted by experience or overtaken by events.

Consider how the world has changed since the Truman administration developed the doctrine of containment. Soviet ambitions and capabilities have long since reached beyond the geographical bounds that this doctrine took for granted. Today Moscow conducts a fully global foreign and military policy that places global demands on any strategy that aims to counter it. Where it was once our goal to contain the Soviet presence within the limits of its immediate postwar reach, now our goal must be to advance our own objectives, where possible foreclosing and when necessary actively countering Soviet challenges wherever they threaten our interests.

The policy of détente, of course, represents an effort to induce Soviet restraint. While in some versions it recognized the need to resist Soviet geopolitical encroachments, it also hoped that the anticipated benefits of expanding economic relations and arms control agreements would restrain Soviet behavior.

Unfortunately, experience has proved otherwise. The economic relationship may have eased some of the domestic Soviet economic constraints that might have at least marginally inhibited Moscow's behavior. It also raised the specter of a future Western dependence on Soviet-bloc trade that would inhibit Western freedom of action toward the East more than it would dictate prudence to the U.S.S.R. Similarly, the SALT I and SALT II processes did not curb the Soviet strategic arms buildup, while encouraging many in the West to imagine that security concerns could now be placed lower on the agenda.

Given these differences from the past, we have not been able merely to tinker with earlier approaches. Unlike containment, our policy begins with the clear recognition that the Soviet Union is and will remain a global superpower. In response to the lessons of this global superpower's conduct in recent years, our policy, unlike some versions of détente, assumes that the Soviet Union is more likely to be deterred by actions that make clear the risks their aggression entails than by a delicate web of interdependence.

Our policy is not based on trust, or on a Soviet change of heart. It is based on the expectation that, faced with demonstration of the West's renewed determination to strengthen its defenses, enhance its political and economic cohesion, and oppose adventurism, the Soviet Union will see restraint as its most attractive, or only, option.

Perhaps, over time, this restraint will become an ingrained habit; perhaps not. Either way, our responsibility to be vigilant is the same.

In a rapidly evolving international environment, there are many fundamental ways the democratic nations can, and must, advance their own goals in the face of the problem posed by the Soviet Union. We must build a durable political consensus at home and within the Atlantic Alliance on the nature of the Soviet challenge. We must strengthen our defenses and those of our allies. We must build a common approach within the Alliance on the strategic implications of East-West economic relations. And we must compete peacefully and even more effectively with the U.S.S.R. for the political sympathies of the global electorate, especially through the promotion of economic dynamism and democracy throughout the world. Finally, we must continue rebuilding America's moral-spiritual strength. If sustained over time, these policies can foster a progressively more productive dialog with the Soviet Union itself.

From the beginning of this administration, the President recognized how essential it was to consolidate a new consensus, here at home and among our traditional allies and friends. After 15 years in which foreign policy had been increasingly a divisive issue, he believed we had an opportunity to shape a new unity in America, expressing the American people's recovery of self-confidence. After the trauma of Vietnam, he sought to bolster a realistic pride in our country and to reenforce the civil courage and commitment on which the credibility of our military deterrent ultimately rests.

The President also felt that the possibility of greater cooperation with our allies depended importantly on a reaffirmation of our common moral values and interests. There were, as well, opportunities for cooperation with friendly governments of the developing world and new efforts to seek and achieve common objectives.

President Reagan also began a major effort to modernize our military forces. The central goal of our national security policy is deterrence of war; restoring and maintaining the strategic balance is a necessary condition for that deterrence. But the strategic balance also shapes, to an important degree, the global environment in which the United States pursues its foreign policy objectives. Therefore, decisions on major strategic weapons systems can have profound political as well as military consequences.

As Secretary of State, I am acutely conscious of the strength or weakness of American power and its effect on our influence over events. Perceptions of the strategic balance are bound to affect the judgments not only of our adversaries but also of allies and friends around the world who rely on us. As leader of the democratic nations, we have an inescapable responsibility to maintain this pillar of the military balance which only we can maintain.

Our determination to do so is an important signal of our resolve, and is essential to sustaining the confidence of allies and friends and the cohesion of the alliances. This is why the Congress' support of the Peacekeeper ICBM program has been such a valuable contribution to our foreign policy, as well as to our defense.

At the same time, we have begun an accelerated program to strengthen our conventional capabilities. We are pursuing major improvements of our ground, naval, and tactical air forces; we have also added a new central command in the Middle East that will enhance our ability to deploy forces rapidly if threats to our vital interests make this necessary. To deter or deal with any future crisis, we need to maintain both our conventional capabilities and our strategic deterrent.

We are also working closely with our allies to improve our collective defense. As shown in the security declaration of the Williamsburg summit and in the North Atlantic Council communique of just the other day, [24] we and our allies are united in our approach in the INF negotiations in Geneva and remain on schedule for the deployment of Pershing II and ground-launched cruise missiles. That deployment will take place as planned unless we are able to reach a balanced and verifiable agreement at Geneva which makes deployment unnecessary.

Upgrading NATO's conventional forces is, of course, a collective alliance responsibility. At the NATO summit in Bonn a year ago, the President and the leaders of the Atlantic alliance reaffirmed that a credible conventional defense is essential to ensuring European security. We and our allies will continue our efforts toward this goal. At the same time, we have taken steps to ensure a more equitable sharing

[24] See documents 78 and 150.

of the burden of that defense. As a measure of the value of such steps, we estimate that last year's agreement with the Federal Republic of Germany on host-nation support will cost about 10 percent of what it would cost to provide the same capability with U.S. reserves or 3 percent of what it would cost to provide that capability with active forces. [25]

The Soviets apparently believe they can weaken or divide the Western alliance if they can dominate outlying strategic areas and resources. To deter threats to our vital interests outside of Europe, we are developing our ability to move forces, supported by our allies, to key areas of the world such as southwest Asia. The allies are also working with us to contribute to stability and security in certain volatile areas, including Lebanon and the Sinai.

In Asia we are modernizing our forces and are working with our allies, especially Japan and Korea, to improve their ability to fulfill agreed roles and missions.

The balance of power cannot be measured simply in terms of military forces or hardware; military power rests on a foundation of economic strength. Thus, we and our allies must not only strengthen our own economies but we must also develop a common approach to our economic relations with the Soviet Union that takes into account our broad strategic and security interests.

In the past, the nations of the West have sometimes helped the Soviets to avoid difficult economic choices by allowing them to acquire a militarily relevant technology and subsidized credits. Possible dependence on energy imports from the Soviet Union is another cause for concern.

In the past year, we have made substantial progress toward an allied consensus on East-West trade. The Williamsburg summit declaration stated clearly: "East-West economic relations should be compatible with our security interests." [26] The NATO communiqué 2 days ago made a similar statement. Our allies agree with us that trade which makes a clear and direct contribution to the military strength of the Soviet Union should be prohibited. There is also general agreement that economic relations with the U.S.S.R. should be conducted on the basis of a strict balance of mutual advantages.

Studies undertaken under NATO and OECD auspices have for the first time laid the groundwork for common analyses. We expect in time to draw common policy conclusions from these studies. The communiqué of the OECD ministerial meeting on May 9 and 10 declared that "East-West trade and credit flows should be guided by the indications of the market. In the light of these indications, governments should exercise financial prudence without granting preferential treatment." [27]

The United States seeks agreement that we not subsidize Soviet imports through the terms of government credits. Beyond this, we urge other Western governments to exercise restraint in providing or guaranteeing credit to the Soviet Union, allowing the commercial considerations of the market to govern credit.

Similarly, at the IAE [*IEA*] ministerial meeting in Paris on May 8, it was agreed that security concerns should be considered among the full costs of imported energy, such as gas; it was agreed that countries "would seek to avoid undue dependence on any one source of gas imports and to obtain future gas supplies from secure sources, with emphasis on indigenous OECD sources."

The fruitful cooperative discussions of these issues at the OECD, IEA, Williamsburg, and NATO are only a beginning. Economic relationships are a permanent element of the strategic equation. How the West should respond economically to the Soviet challenge will and should be a subject of continuing discussion in Western forums for years to come.

Since the 1950's, the Soviet Union has found in the developing regions of the Third World its greatest opportunities for extending its influence through subversion and exploitation of local conflicts. A satisfactory East-West military balance will not

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[25] For text of the U.S.-West German agreement on host-nation support, April 15, 1982, see *American Foreign Policy: Current Documents, 1982*, p. 562.

[26] The quotation is from the Williamsburg declaration on economic recovery, May 30, 1983; see document 79.

[27] See document 148.

by itself close off such opportunities. We must also respond to the economic, political, and security problems that contribute to these opportunities. Our approach has four key elements.

First, in the many areas where Soviet activities have added to instability, we are pursuing peaceful diplomatic solutions to regional problems, to raise the political cost of Soviet-backed military presence, and to encourage the departure of Soviet-backed forces. Our achievements in the Middle East, while far from complete, are addressed to this goal; we are actively encouraging ASEAN efforts to bring about Vietnamese withdrawal from Kampuchea; we strongly support the worldwide campaign for Soviet withdrawal from Afghanistan; and we have made considerable progress toward an internationally acceptable agreement on Namibia. In our own hemisphere, we are working with other regional states in support of a peaceful solution to the conflict and instability in Central America.

Second, we are building up the security capabilities of vulnerable governments in strategically important areas. We are helping our friends to help themselves and to help each other. For this purpose, we are asking the Congress for a larger, more flexible security assistance program for fiscal year 1984. That has a budgetary implication.

Third, our program recognizes that economic crisis and political instability create fertile ground for Soviet-sponsored adventurism. We are seeking almost $4 billion in economic assistance to help developing countries lay the basis for economic and social progress. We are seeking congressional approval to raise IMF quotas and broaden IMF borrowing arrangements to address critical financial needs of some of the largest Third World nations. We urge the Congress to approve the full amount requested by the administration toward meeting the U.S. commitment to the IDA.

Finally, there is the Democracy Initiative, an effort to assist our friends in the Third World to build a foundation for democracy. It is patronizing to assume that the peoples of the developing world do not have the same aspirations for liberty and democracy that peoples in the industrialized West are fortunate enough to enjoy. Therefore we are seeking ways to assist unions, political parties, journalists, and other groups that are striving to build pluralistic societies and democratic institutions. As we pursue critical security goals in areas as close to home as Central America, we continue to encourage, indeed to insist, that democratization and respect for human rights be part of the process. To the extent that our involvement there is constrained by congressional action, I must say, these very objectives are harmed the most.

Let me note here that the Soviet reaction to this project, which is very small, has been fascinating. When we held a meeting in the State Department of people from various parts of the world on the subject of free elections, it was denounced by the Soviet Union.[28] The interesting thing was, they noticed it. I was also struck by the fact that in Mr. Chernenko's speech yesterday, he attached such importance to destroying President Reagan's Democracy Initiative.[29] It seems we have their attention. If we can put the East–West competition on an ideological basis or on the basis of alternative economic systems, we will walk away with it.

Together, these programs increase our political, military, and economic strength and help create an international climate in which opportunities for Soviet adventurism are reduced. They are essential for the success of the final element of our strategy—engaging the Soviets in an active and productive dialog on the concrete issues that concern the two sides. Strength and realism can deter war, but only direct dialog and negotiation can open the path toward lasting peace.

In this dialog, our agenda is as follows: To seek improvement in Soviet performance on human rights, which you emphasized, Mr. Chairman, in your opening statement; to reduce the risk of war, reduce armaments through sound agreements, and ultimately ease the burdens of military spending; to manage and resolve regional conflicts; and to improve bilateral

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[28] Reference is to the Conference on Free Elections held at the Department of State, November 4–6, 1982. The Soviet Union's denunciation of this conference has not been further identified.

[29] Reference is to K. U. Chernenko's report delivered to the plenary session of the Central Committee of the Communist Party of the Soviet Union on June 14, 1983. For the condensed text of this report, see *Current Digest of the Soviet Press*, July 13, 1983, pp. 2–10, 24.

relations on the basis of reciprocity and mutual interest.

This is a rigorous and comprehensive agenda, and our approach to it is principled, practical, and patient. We have pressed each issue in a variety of forums, bilateral and multilateral. We have made clear that the concerns we raise are not ours alone, but are shared by our allies and friends in every region of the globe. We have made clear that each of our concerns is serious. The Soviets know that we do not intend to abandon any of them merely because agreement cannot be reached quickly, or because agreement has been reached on others.

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It is sometimes said that Soviet-American relations are worse than ever. Certainly the issues dividing our two countries are serious. But let us not be misled by atmospherics, whether sunny or, as they now seem to be, stormy.

In the mid-1950's, for example, despite the rhetoric and tension of the cold war, and in the midst of a leadership transition, the Soviet Union chose to conclude the Austrian State Treaty. It was an important agreement which contributed to the security of Central Europe, and it carries an important lesson for us today. The Soviet leadership did not negotiate seriously merely because Western rhetoric was firm and principled, nor should we expect rhetoric to suffice now or in the future. But adverse atmospherics did not prevent agreement; Soviet policy was instead affected by the pattern of Western actions, by our resolve and clarity of purpose. And the result was progress.

There is no certainty that our current negotiations with the Soviets will lead to acceptable agreements. What is certain is that we will not find ourselves in the position in which we found ourselves in the aftermath of détente. We have not staked so much on the prospect of a successful negotiating outcome that we have neglected to secure ourselves against the possibility of failure. Unlike the immediate postwar period, when negotiating progress was a remote prospect, we attach the highest importance to articulating the requirements for an improved relationship and to exploring every serious avenue for progress. Our parallel pursuit of strength and negotiation prepares us both to resist continued Soviet aggrandizement and to recognize and respond to positive Soviet moves.

We have spelled out our requirements, and our hopes, for a more constructive relationship with the Soviet Union. The direction in which that relationship evolves will ultimately be determined by the decisions of the Soviet leadership. President Brezhnev's successors will have to weigh the increased costs and risks of relentless competition against the benefits of a less tense international environment in which they could more adequately address the rising expectations of their own citizens. While we can define their alternatives, we cannot decipher their intentions. To a degree unequaled anywhere else, Russia in this respect remains a secret.

Her history, of which this secrecy is such an integral part, provides no basis for expecting a dramatic change. And yet it also teaches that gradual change is possible. For our part, we seek to encourage change by a firm but flexible U.S. strategy, resting on a broad consensus that we can sustain over the long term whether the Soviet Union changes or not. If the democracies can meet this challenge, they can achieve the goals of which President Reagan spoke at Los Angeles: both defend freedom and preserve the peace.

Thank you, Mr. Chairman.

Document 211

Address by President Reagan Before Representatives of the Polish-American Community, Chicago, June 23, 1983 [30]

"I Urge the Polish Authorities To Translate the Restraint They Showed During the Papal Visit Into Willingness To Move Toward Reconciliation Rather Than Confrontation With the Polish People"

Thank you. Thank you. And thank you, Al Mazewski. [31] As a matter of fact, I would have rather just stood there and listened to you some more—(laughter)—come up here and talk. Father Pajak, Senator Percy and I know your Secretary of State is here, Jim Edgar, you, ladies and gentlemen, the distinguished guests who are here, our country is composed of many cultures, races and ethnic groups. But there's one thing we all have in common, something that ties us together as one people and is at the very heart of our national character and that is a fervent love of liberty.

And I've found that I can't lean on this on account of if I do it sinks. (Laughter) So I'll stop leaning.

It's this heartfelt conviction that today finds us, not just Polish Americans, but all Americans—(applause). And it binds us with those who struggle for freedom and independence in Poland.

Let no one mistake our fortitude. Time may pass, but the American people will never, never forget the brave people of Poland and their courageous struggle. (Applause) It seems like only yesterday when all of us were so filled with hope. Solidarity, a truly independent labor union, had emerged. And with it came new recognition of freedoms of speech, press and the right to free association to strike and to reap the fruit of one's labor.

Perhaps nothing more clearly demonstrates the repressive and insecure nature of communism than the tremor felt throughout the Communist world as a result of Polish workers and citizens exercising inalienable human rights, the rights that are so fundamental to free Western societies and that we too often take for granted.

Solidarity was born not only of the failure of the Polish Government to meet the needs of its people, but also from a noble tradition of freedom preserved and nourished by the proud Polish people through two centuries of foreign and domestic tyranny.

Symbolizing the battle of real workers to sustain fundamental human and economic rights in a so-called worker's state, Solidarity sought to address and to resolve Poland's deep-rooted economic ills. It acted in good faith and it pursued a path of constructive dialogue with the Polish Government. Despite these peaceful efforts on the part of Solidarity, a brutal wave of repression descended on Poland on December 13th, 1981.

The imposition of martial law stripped away all vestiges of the newborn freedom. Polish authorities resorted to arbitrary arrests, imprisonment, and the use of force. The free flow of people, ideas, and information was suppressed. A darkened cloud descended on Poland. But not all has been darkness.

Despite the unyielding repression for the last 18 months, the will of the Polish people has not yet been broken and we've seen that on television over these last several days. And the Papal visit to Poland which ends today is truly a ray of hope for the Polish people and an event of historic importance. [32] (Applause)

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[30] Source: White House Press Release, June 23, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, June 27, 1983, pp. 912–914. The President spoke at 10:20 a.m. outside the Polish National Alliance Hall. The source text is the text as delivered.

[31] Aloysius Mazewski, President of the Polish National Alliance and the Polish American Congress.

[32] Reference is to the visit of Pope John Paul II to Poland from June 16 to 23, 1983, where he visited, among other places, Warsaw, Poznan, Katowice, Wroclaw, Cracow, and Zakopane. During his visit the Pope had meetings with General Wojciech Jaruzelski, Polish Prime Minister and Defense Minister, and met briefly with Solidarity leader Lech Walesa.

During these 8 short days, the Pope's message of hope and faith has helped to inspire millions of Poles to continue their struggle to regain the human rights taken from them by the Polish authorities on December 13th.[33] (Applause)

I was deeply moved, as I know you were, by the Pope's outspoken defense of the Polish people's human rights. His frequent statements of support for the interned, the imprisoned, and those dismissed from work for their political activities were poignant reminders to the Jaruzelski regime and the Soviets that they cannot hope to permanently erase the historic August accords.[34]

Freedom loving people everywhere support His Holiness' call for social renewal, social justice, and reaffirmation of national sovereignty. I've long felt that many, if not all, of the problems faced by the Polish people could be resolved if Warsaw's neighbors would permit that beleaguered nation to work them out undisturbed. (Applause) And you're aware of the neighbor particularly that we're talking about. (Applause)

I've developed a new hobby. It is one of finding and then verifying from some of the dissidents who are here in our country, who have escaped, the jokes that the Russian people are telling among themselves which shows their cynicism about their own government. And one of the recent ones is that they were saying that if the Soviet Union let another political party come into existence, they would still be a one-party state because everybody would join the other party. (Laughter) (Applause)

I have to tell you the latest one that I have found is so typical. And this, too, is of the Soviet Union and its failures. The story is that a commissar visited a collective farm, and grabbed one of the workers to talk to him and said, "How are things here?" "Oh," he said, "everything is just wonderful." He said, "There are no complaints, haven't heard a single complaint." "Well," he said, "how are the crops?" "Oh," he said, "the crops—never better, everything just fine." "What about potatoes?" he said. "Potatoes," he said, "if we piled them up in one pile, they'd reach the foot of God." (Laughter) And the commissar said, "This is the Soviet Union. There is no God." (Laughter) He said, "That's all right; there are no potatoes." (Laughter) (Applause)

But seriously, the need for dialogue and reconciliation in Poland has never been more evident than it was during the Pope's visit. The gulf separating the Polish people from their government remains vast. And nothing showed this more clearly than the faces, the words, and the signs carried by the millions of Poles who traveled great distances to see and hear the Pope. His call on the need to find a humane way for a peaceful and rational solution to the conflict offers the only prospect of bridging this gap between the people and their government.

I suspect that the Polish people are even more ready in the aftermath of his visit to begin a dialogue. But the real question is not the willingness of the Polish people, but that of the Warsaw government. I urge the Polish authorities to translate the restraint they showed during the Papal visit into willingness to move toward reconciliation rather than confrontation with the Polish people. (Applause)

I was, also, impressed by the Pope's words on the importance of free trade unions, and his quote of Cardinal Wyszynski—the comment that there is an innate right to form free associations and that the State's only role is to protect it, to protect that right. (Applause)

The actions of the millions of Poles who attended the masses around the country, inspiring the spirit which gave rise to Solidarity still flourishes in Polish hearts. There is only one way for the Polish Government to gain the confidence and trust of its own people. And that is to end martial law, to release political prisoners—(applause)—to restore freely formed trade unions, and to embark on a path of genuine, national reconciliation. (Applause)

We are currently consulting with our allies on the Polish question. Once these consultations are complete, we'll decide on how to proceed in our relations with Warsaw. In the meantime, I would only repeat what I said in my December 10th speech. "If the Polish Government takes meaningful, liberalizing measures, we are prepared to take equally significant and

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[33] Reference is to the imposition of martial law in Poland on December 13, 1981.

[34] Reference is to the Polish Government's recognition of the legitimacy of free trade unions in Poland, on August 31, 1980.

concrete steps of our own." [28] (Applause) Moreover, the United States will continue to provide humanitarian assistance to the Polish people. I know the great sacrifices which so many of you and the Polish-American community have been making to send assistance in the form of food and medical supplies.

We, too, have participated in this humanitarian effort with more than $40 million worth of aid distributed through CRS and CARE. As I've said before, if the Polish Government will honor the commitments it has made to basic human rights, we in America will gladly do our share to help the shattered Polish economy just as we helped the countries of Europe after both World Wars. (Applause)

I've talked of freedom. We've talked of freedom many times. Many of you have seen first-hand there, in visits to relatives, or in being there before you came here, what is going on. But to many of us, freedom becomes a word, and particularly to our young people. They hear it so often. And they don't have an opportunity to know what is so important about that word.

And just a few days ago I received a letter from a woman who has just returned from a visit to relatives in Poland. And yet it was her first visit there. And she said, "I felt that I owed you this letter. Until 3 weeks ago I supported a nuclear freeze and arms reduction," and she went on with some of the other things. But, she says, "not any more. Not after what I've seen."

I'll only read a few paragraphs. She said: "Poland is a concentration camp encircled by the same double strands of barbed wire that is displayed at Auschwitz and Buchenwald—camps so atrocious they have been preserved so that we shall never forget and never permit this sort of thing to happen again. But it is happening today in the great nationstate of Poland. The fear in the faces of men, women and children is also a reminder of things past. People speak in whispers, look over their shoulders constantly. And a few brave young people will tell you that people still disappear daily from their jobs and their homes. As an American observer, I see little difference between the gestapo and the KGB." (Applause)

She goes on eloquently about other things there that she's seen—the differences. She says, "I, too, support human rights. I was in Warsaw and Krakow. And I was asked by the people there if people in America understood what was happening in Poland under Russian domination. I said, no. No, because we don't know fear, oppression, religious censorship. We have never known the hopelessness that comes from living under a dictatorship. If there could only be one protest march in Poland today, Mr. President, it would not be for arms reduction or jobs or food or even clothing. But rather for the most prized and valued fundamental right of all—of every living soul in this universe: freedom." (Applause)

And then she asked that we keep that light of freedom burning here, because the whole world is watching and living by its glow. The visit by John Paul II to his homeland was an inspiration to all who cherish freedom. It vividly showed that no one can crush the spirit of the Polish people. (Applause) In the moving words of the Polish National Anthem: "Poland has not died while we yet live," are more true today than ever. The spirit of solidarity that unites the Polish people with free people everywhere has never been stronger.

I thank you for letting me be with you this brief time here today. God bless you all. And we shall stay together and we'll let Poland be Poland. (Applause) Thank you.

[28] For text of the President's remarks, see *American Foreign Policy: Current Documents, 1982*, pp. 702–704.

Document 212

Statement by President Reagan, July 19, 1983 [36]

Twenty-fifth Annual Observance Ceremony of Captive Nations Week

Thank you very much. Thank you. You know, I have to apologize here for keeping you waiting. And I always wonder if there isn't some way, without making it sound that way, if in that announcement they couldn't say "the late President"—(laughter)—of the United States.

But thank you all very much and members of the Congress and Excellencies here and fellow Americans, and may I add, fellow citizens of the world who yearn to breathe free, we're honored to welcome all of you. I'd like to thank Congressman Jerry Solomon for his strong support of this event.

And today we come to show solidarity with our brothers and sisters who are captives, not because of crimes that they have committed but because of crimes committed against them by dictators and tyrants.

We met here last month with a group of Baltic Americans honoring Baltic Freedom Day.[37] And I said that we gathered to draw attention to the plight of the Baltic people and to affirm to the world that we do not recognize their subjugation as a permanent condition. (Applause)

Today, we speak to all in Eastern Europe who are separated from neighbors and loved ones by an ugly iron curtain. And to every person trapped in tyranny, whether in the Ukraine, Hungary, Czechoslovakia, Cuba or Vietnam, we send our love and support and tell them they are not alone. (Applause) Our message must be: Your struggle is our struggle. Your dream is our dream. And someday, you, too, will be free. (Applause)

As Pope John Paul told his beloved Poles, we are blessed by divine heritage. We are children of God and we cannot be slaves. (Applause)

The Prophet Isaiah admonished the world, " . . . bind up the brokenhearted, to proclaim liberty to the captives." Some 25 centuries later, philosophers would declare that "the cause of freedom is the cause of God." We Americans understand the truth of these words. We were born a nation under God, sought out by people who trusted in Him to work His will in their daily lives, so America would be a land of fairness, morality, justice and compassion.

Many governments oppress their people and abuse human rights. We must oppose this injustice. But only one so-called revolution puts itself above God, insists on total control over the people's lives, and is driven by the desire to seize more and more lands. As we mark this 25th observance of Captive Nations Week, I have one question for those rulers: If communism is the wave of the future, why do you still need walls to keep people in, and armies of secret police to keep them quiet? (Applause)

Democracy may not be perfect, but the brave people who risk death for freedom are not fleeing from democracy. They're fleeing to democracy from communism.

Two visions of the world remain locked in dispute. The first believes all men are created equal by a loving God who has blessed us with freedom. Abraham Lincoln spoke for us: "No man," he said, "is good enough to govern another, without the other's consent."

The second vision believes that religion is opium for the masses. It believes that eternal principles like truth, liberty, and democracy have no meaning beyond the whim of the state. And Lenin spoke for them: "It is true, that liberty is precious," he said, "so precious that it must be rationed." (Laughter)

Well, I'll take Lincoln's version over Lenin's. (Laughter) (Applause) And so will citizens of the world, if they're given free choice. Now some believe we must muffle

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[36] Source: White House Press Release, July 19, 1983. Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, July 25, 1983, pp. 1018–1019. The President made his remarks in the Old Executive Office Building beginning at 1:38 p.m. Earlier, on June 6, 1983, President Reagan signed Proclamation 5067 proclaiming the week beginning July 17, 1983, as Captive Nations Week, 1983. For text, see *ibid.*, June 13, 1983, p. 836.

[37] Text of the President's remarks, June 13, 1983, is *ibid.*, June 20, 1983, pp. 866–867.

our voices for the cause of peace. I disagree. Peace is made, or broken, with deeds, not words.

No country has done more, or will strive harder for peace, than the United States. And I will personally embrace any meaningful action by the Soviet Union to help us create a more peaceful, safe and secure world. I welcome the Soviet pledge of cooperation at the Madrid Review Conference on Security and Cooperation in Europe.[38] With every ounce of my being I pray the day will come when nuclear weapons no longer exist anywhere on earth. And as long as I'm President, we'll work day-in-and-day-out to achieve mutual and verifiable reductions in strategic weapons.

When Congress approved the MX Peacekeeper program last May, America demonstrated its bipartisan consensus to implement the recommendations of the Scowcroft Commission.[39] This bipartisan step marked progress toward genuine arms reductions.

In the next few days, the Congress will vote on the question of supreme importance: Do we continue forward, or do we turn back from the Scowcroft Commission's recommendations? In terms of speaking to the world with one, bipartisan voice, of standing up for U.S. vital interests, and of strengthening America's agenda for peace, no question matters more for this country in 1983.

Rather than seek temporary, partisan advantage, let us work together for the future of mankind. We must not waver in our request for genuine peace and cooperation. We must keep our military strong to deter aggression. And we will never shrink from speaking the truth.

Ask yourselves: Was it our words that destroyed peace in Afghanistan, or was it Soviet aggression? Is peace served by sealing our lips while millions are tortured or killed in Vietnam and Cambodia? Or should we not speak out to demand those crimes be stopped? It's not provocative to warn that, once a Communist revolution occurs, citizens are not permitted free elections, a free press, free trade, free unions, free speech, freedom to worship, or property, or freedom to travel as we please.

Many military regimes have evolved into democracies. But no Communist regime has ever become a democracy, provided freedom or given its people economic prosperity.

We will speak the truth. Alexander Herzen, the Russian writer, warned: "To shrink from saying a word in defense of the oppressed is as bad as any crime." That's why we want improved and expanded broadcasts over the Voice of America, Radio Free Europe—(applause)—Radio Free Europe and Radio Liberty. And that's why we want, and the Cuban people need, Radio Marti. (Applause) Now, many of you here have known the suffering that I've described. You are the conscience of the free world. And I appeal to you to make your voices heard. Tell them: "You may jail your people, you may seize their goods. You may ban their unions, you may bully their rabbis and dissidents. You may forbid the name Jesus to pass their lips, but you will never destroy the love of God and freedom that burns in their hearts. They will triumph over you." (Applause)

Help us warn the American people that, for the first time in memory, we face real dangers on our own borders, that we must protect the safety and security of our people. We must not permit outsiders to threaten the United States. We must not permit dictators to ram communism down the throats of one Central American country after another. (Applause)

We've seen construction in Cuba of a naval base from which Soviet nuclear submarines can operate. We see Soviet capacity for air reconnaissance over our Eastern coast from Cuban bases.

And we see the Soviets and Cuba building a war machine in Nicaragua that dwarfs the forces of all their neighbors combined. Let's not fool ourselves: this war machine isn't being built to make Central America safe for democracy. It isn't being built to pursue peace, economic or social reform.

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[38] Reference may be to Andropov's reply to an appeal by six neutral and nonaligned nations for agreement at the Madrid CSCE meeting, which was published in *Pravda*, May 1, 1983, as well as a subsequent Soviet appeal for cooperation at this meeting, published in *Pravda*, May 7, 1983. Both statements stressed the Soviet commitment to reaching agreement at Madrid. For texts of these Soviet statements, see *Current Digest of the Soviet Press*, June 1, 1983, p. 17.

[39] See the President's statement, June 10, 1983, document 26.

It's being built, by their own boasts, to impose a revolution without frontiers.

Now, this is not my problem. It's our problem. But if we pull together, we can solve it. As I announced yesterday, I'm appointing a bipartisan commission on Central America.[40] And let us resolve today: there must be no more captive nations in this hemisphere. (Applause)

With faith as our guide, we can muster the wisdom and will to protect the deepest treasures of the human spirit—the freedom to build a better life in our time and the promise of life everlasting in His kingdom.

Alexander Solzhenitsyn told us, "Our entire earthly existence is but a transitional stage in the movement toward something higher, and we must not stumble and fall, nor must we linger . . . on one rung of the ladder."

With your help, we will stand shoulder to shoulder, and we'll keep our sights on the farthest stars.

Thank you very much and God bless you. (Applause)

Document 213

Statement by the President's Principal Deputy Press Secretary (Speakes), July 28, 1983[41]

United States–Soviet Union Grain Agreement

Ambassador William E. Brock, U.S. Trade Representative, and Secretary of Agriculture, John R. Block, announced today that the United States and the USSR have reached agreement in principle on a new Long-Term Grain Agreement (LTA).[42] The Agreement will commence October 1, 1983, and will cover 5 years.

Under its terms, the USSR will purchase from the United States 9 million metric tons of grain annually in approximately equal quantities of wheat and corn. Up to 1 million metric tons of the minimum could be satisfied by Soviet purchases of 500,000 metric tons of soybean and/or soybean meal. If this soybean/soybean meal option is exercised in any year, the minimum of wheat and corn for that year will be 8 million metric tons. During any year of the Agreement, the Soviet Union may purchase 3 million metric tons of wheat and corn in addition to the minimum of 9 million metric tons without prior consultation.

The general framework of the new Agreement follows that of the original LTA that was signed in 1975.[43]

The Agreement was reached on July 28 in Vienna during the third round of negotiations regarding a new LTA.[44] The U.S. negotiating team was lead by Ambassador Robert E. Lighthizer, Deputy U.S. Trade Representative. Daniel G. Amstutz, Undersecretary of the Department of Agriculture, was the senior official for the USDA on the team. Formal signing of the Agreement will take place in late August.

The current Agreement that expires on September 30, 1983, called for a minimum annual purchase of 6 million metric tons of wheat and corn by the USSR, and provided an option for the Soviet Union to purchase an additional 2 million metric tons per year. The original Agreement

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[40] For the Executive order, July 19, 1983, establishing the National Bipartisan Commission on Central America, and for a list of its members, see *Weekly Compilation of Presidential Documents*, July 25, 1983, pp. 1020–1021. The President announced his intention to appoint the commission during an address before the International Longshoremen's Association, Hollywood, Florida, July 18, 1983; for text of this address, see *ibid.*, pp. 1009–1014.

[41] Source: White House Press Release, July 28, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, August 1, 1983, pp. 1063–1064.

[42] For text of the announcement, see Department of Agriculture, *Major News Releases and Speeches*, July 22–July 29, 1983, pp. 18–19. The text of the agreement is printed *infra*.

[43] For text of this October 20, 1975, agreement, see 26 UST 2971.

[44] For text of President Reagan's announcement, April 22, 1983, of his administration's intention to negotiate a new long-term grain agreement with the Soviet Union, see *Weekly Compilation of Presidential Documents*, April 25, 1983, p. 582. The Department of Agriculture announced on May 17, 1983, that the Soviet Union had accepted this U.S. proposal to begin these negotiations. (Department of Agriculture, *Major News Releases and Speeches*, May 13–May 20, 1983, p. 21)

covered a 5-year period beginning in 1975. It was extended for a 1-year period on two occasions. [45]

Document 214

Agreement Between the United States and the Soviet Union, August 25, 1983 [46]

Long-term U.S. Grain Sales Agreement

The Government of the United States of America ("USA") and the Government of the Union of Soviet Socialist Republics ("USSR"),

Recalling the "Basic Principles of Relations between the United States of America and the Union of Soviet Socialist Republics" of May 29, 1972,[47] and other relevant agreements between them;

Desiring to strengthen long-term cooperation between the two countries on the basis of mutual benefit and equality;

Mindful of the importance which the production of food, particularly grain, has for the peoples of both countries;

Recognizing the need to stabilize trade in grain between the two countries; and

Affirming their conviction that cooperation in the field of trade will contribute to overall improvement of relations between the two countries;

Have agreed as follows:

Article I

The Government of the USA and the Government of the USSR hereby enter into an agreement for the purchase and sale of wheat and corn for supply to the USSR. To this end, during the period that this agreement is in force, except as otherwise agreed by the Parties, the Soviet foreign trade organizations shall purchase from private commercial sources, for shipment in each twelve-month period beginning October 1, 1983, nine million metric tons of wheat and corn grown in the USA; in doing so, the Soviet foreign trade organizations, if interested, may purchase, on account of the said quantity, soybeans and/or soybean meal produced in the USA, in the proportion of one ton of soybeans and/or soybean meal for two tons of grain. In any case, the minimum annual quantities of wheat and corn shall be no less than four million metric tons each.

The Soviet foreign trade organizations may increase the nine million metric tons quantity mentioned above without consultations by as much as three million metric tons of wheat and/or corn for shipment in each twelve-month period beginning October 1, 1983.

The Government of the USA shall employ its good offices to facilitate and encourage such sales by private commercial sources.

Purchases/sales of commodities under this Agreement will be made at the market price prevailing for these products at the time of purchase/sale and in accordance with normal commercial terms.

Article II

During the term of this Agreement, except as otherwise agreed by the Parties, the Government of the USA shall not exercise any discretionary authority available to it under United States law to control exports of commodities purchased for supply to the USSR in accordance with Article I.

Article III

In carrying out their obligations under this Agreement, the Soviet foreign trade organizations shall endeavor to space their purchases in the USA and shipment to the USSR as evenly as possible over each twelve-month period.

Article IV

The Government of the USSR shall assure that, except as the Parties may otherwise agree, all commodities grown in the USA and purchased by Soviet foreign trade organizations under this Agreement

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[45] The first extension was agreed to on August 5, 1981. For the text of the Department of Agriculture announcement of the second extension on August 20, 1982, see *American Foreign Policy: Current Documents, 1982*, p. 670.

[46] Source: Department of Agriculture, *Major News Releases and Speeches*, Aug. 19–Aug. 26, 1983, pp. 11–14. The agreement was signed in Moscow.

[47] For text, see Department of State *Bulletin*, June 26, 1972, pp. 898–899.

shall be supplied for consumption in the USSR.

Article V

Whenever the Government of the USSR wishes the Soviet foreign trade organizations to be able to purchase more wheat or corn grown in the USA than the amounts specified in Article I, it shall notify the Government of the USA.

Whenever the Government of the USA wishes private commercial sources to be able to sell to the USSR more wheat or corn grown in the USA than the amounts specified in Article I, it shall notify the Government of the USSR.

In both instances, the Parties will consult as soon as possible in order to reach agreement on possible quantities of grain to be supplied to the USSR prior to purchase/sale or conclusion of contracts for the purchase/sale of grain in amounts above those specified in Article I.

Article VI

The Government of the USA is prepared to use its good offices, as appropriate and within the laws in force in the USA, to be of assistance on questions of the appropriate quality of the grain to be supplied from the USA to the USSR.

Article VII

It is understood that the shipment of commodities from the USA to the USSR under this Agreement shall be in accord with the provisions of the American-Soviet Agreement on Maritime Matters which is in force during the period of shipments hereunder.

Article VIII

The Parties shall hold consultations concerning the implementation of this Agreement and related matters at intervals of six months, and at any other time at the request of either party.

Article IX

This Agreement shall enter into force on execution and shall remain in force until September 30, 1988, unless extended by the Parties for a mutually agreed period.

DONE at Moscow this twenty-fifth day of August, 1983, in duplicate, each in the English and Russian languages, both texts being equally authentic.

For the Government of the
United States of America:

JOHN R. BLOCK
USA Secretary of Agriculture

For the Government of the Union
of Soviet Socialist Republics:

NIKOLAI PATOLICHEV
USSR Minister for Foreign Trade

Document 215

Transcript of a Press Briefing by the Secretary of State (Shultz), September 1, 1983 [48]

Destruction of Korean Airlines Plane by Soviet Fighter Plane

MR. JOHN HUGHES. Good morning. The Secretary of State will have a statement on the shooting down of a Korean airliner and will take one or two questions before he has to leave. Assistant Secretary Burt and I will be back here at the midday briefing and will offer you any further information we have. [49]

The Secretary of State.

SECRETARY SHULTZ. At 1400 hours Greenwich mean time yesterday, a Korean Airlines Boeing 747 enroute from New York to Seoul, Korea, departed Anchorage, Alaska. 269 passengers and crew were on board, including Congressman Lawrence P. MacDonald.

At approximately 1600 hours Greenwich mean time, the aircraft came to the attention of Soviet radar. It was tracked constantly by the Soviets from that time.

The aircraft strayed into Soviet airspace over the Kamchatka Peninsula and over the Sea of Okhotsk, and over the Sakhalin

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[48] Source: Department of State Press Release 327, September 1, 1983; also printed in Department of State *Bulletin*, October 1983, pp. 1–2. The press briefing began at 10:45 a.m.

[49] See *infra*.

Island. The Soviets tracked the commercial airliner for some 2 1/2 hours.

A Soviet pilot reported visual contact with the aircraft at 1812 hours. The Soviet plane was, we know, in constant contact with its ground control.

At 1821 hours the Korean aircraft was reported by the Soviet pilot at 10,000 meters. At 1826 hours the Soviet pilot reported that he fired a missile and the target was destroyed.

At 1830 hours the Korean aircraft was reported by radar at 5,000 meters. At 1838 hours the Korean plane disappeared from the radar screen.

We know that at least eight Soviet fighters reacted at one time or another to the airliner. The pilot who shot the aircraft down reported after the attack that he had in fact fired a missile, that he had destroyed the target, and that he was breaking away.

About an hour later Soviet controllers ordered a number of their search aircraft to conduct search and rescue activity in the vicinity of the last position of the Korean airliner reflected by Soviet tracking. One of these aircraft reported finding kerosene on the surface of the seas in that area.

During Wednesday [50] night, United States State Department officials, particularly Assistant Secretary Burt, were in contact with Soviet officials, seeking information concerning the airliner's fate. The Soviets offered no information.

As soon as U.S. sources had confirmed the shooting down of the aircraft, the United States on its own behalf and on behalf of the Republic of Korea, called in the Soviet Chargé d'Affaires in Washington this morning to express our grave concern over the shooting down of an unarmed civilian plane carrying passengers of a number of nationalities. We also urgently demanded an explanation from the Soviet Union.

The United States reacts with revulsion to this attack. Loss of life appears to be heavy. We can see no excuse whatsoever for this appalling act.

Q. Mr. Secretary, will this make any difference in the way the United States deals with the Soviet Union? For example, your meeting with Foreign Minister Gromyko? [51]

SECRETARY SHULTZ. I certainly will want to meet with Foreign Minister Gromyko and hear what he has to say about this. Of course, we expect to hear from the Soviet Union long before that.

Q. Mr. Secretary, was the United States in touch with Moscow at all on the hot line or any Presidential contact in this case?

SECRETARY SHULTZ. No. This information that we have has come into our hands after the shooting down of this plane.

Q. Have you spoken to the President about this matter, and what does he say?

SECRETARY SHULTZ. I haven't spoken to the President as yet—

Q. Mr. Secretary, could you tell us, was there any warning given by the Soviets?

SECRETARY SHULTZ.—but I should say the President is fully informed, and I've talked with the West Coast, [52] and the President knows all about this and has been kept fully informed. I haven't personally spoken to him.

Q. Mr. Secretary, can you tell us, did the Soviet Union give any warning to this aircraft and request it to land or try to force it down before it shot it down?

SECRETARY SHULTZ. We have no evidence of that. There was apparently no ability to communicate between the two aircraft; but as the statement says, the Soviet plane that shot the commercial airliner down moved itself into position where it had visual contact with the aircraft, so that with the eye you could inspect the aircraft and see what it was you were looking at.

Q. Do we know whether the Soviet sought to force the KAL plane down without using missiles?

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[50] August 31, 1983.

[51] Reference is to Secretary Shultz's scheduled meeting with Gromyko at the meeting of the Conference for Security and Cooperation in Europe at Madrid on September 7 and 8, 1983.

[52] President Reagan was vacationing at the time at Rancho del Cielo, his ranch near Santa Barbara, California.

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SECRETARY SCHULTZ. We have no information about that. And as I said, as far as we can see there was no communication between the two aircraft except that they did track this aircraft for 2 1/2 hours; at least eight fighters at one time or another were around in the vicinity, and the aircraft that shot the plane down was close enough for visual inspection of the aircraft.

Q. Were they aware, sir, of any particular kind of Soviet military exercises or maneuvers or super-sophisticated radar that might have been in the area and that they had warned everybody to stay away from it?

SECRETARY SHULTZ. No.

Q. Is there any explanation that you could offer for this?

SECRETARY SHULTZ. We have no explanation to offer. We can see no explanation whatever for shooting down an unarmed commercial airliner, no matter whether it's in your airspace or not.

Q. Are you suggesting that the decision to shoot this plane down was made at a fairly high level since they were tracking it a long time?

SECRETARY SHULTZ. I'm relating the facts as we have them at this point, and I can't go beyond the facts that I have here. I'm not going to speculate about it. I'm trying to put forward the facts as we know them and to tell you the United States Government's attitude and my own attitude toward the shooting down of an unarmed commercial airliner.

Q. My question was going to be, sir, if you had any sense as to whether there could be any political motivation for this beyond what you know already?

SECRETARY SHULTZ. I can't imagine any political motivation for shooting down an unarmed airliner.

Transcript of the Department of State Daily Press Briefing, September 1, 1983 (Extract) [53]

Queries Into the Circumstances Surrounding the Destruction of the Korean Airliner

. . . . . .

ASSISTANT SECRETARY BURT. Thanks, John. I do not have anything new to add to what the Secretary of State said earlier this morning [54] other than the fact that the President has been in touch with the Secretary of State—he called the Secretary of State a few minutes ago, and they discussed the situation. So I will take your questions.

Q. Rick, do you know how many Americans were aboard?

A. We do not have, at this stage, a precise number of Americans. We are, of course, looking into that right now—the State Department Operations Center, together with other U.S. officials.

Q. Rick, can you take us through the blow-by-blow starting with last night, your contacts with the Soviets?

A. We were alerted, I think, approximately between 10 or 10:30, that the aircraft in question was off course and was no longer in radar or radio communications. At that time, as you probably know, there were conflicting reports about its status. There was a suggestion that the aircraft had been forced down, and that it had landed on Sakhalin Island. In fact, some Korean airline authorities actually made public statements to that effect. There were other indications that much more tragic circumstances had taken place.

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[53] Source: Office of Press Relations, Department of State. The briefing, which began at 12:15 p.m., was conducted by John Hughes, Department of State Spokesman. Hughes introduced Richard R. Burt, who conducted the portion printed here on the KAL incident.

[54] *Supra.*

At approximately 11 or 11:30 at the State Department Operations Center a working group was quickly formed of U.S. officials, State Department officials and the Department of Defense official who normally serves in the Operations Center. As it became increasingly apparent that the report that the plane had been forced down was not accurate, or that we could not confirm that report, we got into direct contact with the Soviet Chargé, Oleg Sokolov, here in Washington—I got on the phone and woke him up, explained the situation, and told him that we insisted on an explanation or any information they could give us about this incident. He had no information to offer us. We double-tracked that communication with the Soviets with a conversation with our Embassy in Moscow, where our Chargé in Moscow, Warren Zimmerman, got in touch with a senior official in the Soviet Foreign Ministry and asked for information.

In the meantime, we picked up, through various sources, increasing signs that the aircraft had gone down. There were indications that a Soviet air-sea rescue operation was underway in Soviet territorial waters. And as further information came in, it became increasingly apparent, I would say very, in the wee hours of today, this morning, that the aircraft had in fact been shot down.

The intelligence community was generally able to confirm the fact that it had been shot down early this morning, so that at the opening of business today senior officials were informed of that fact.

At that stage, the decision was taken to ask the Soviet Chargé, Mr. Sokolov, to come immediately to the State Department, where he saw Lawrence Eagleburger, the Under Secretary of State, and where we reiterated our demand for information. As you know, the Secretary of State then made a public statement.

I might say we have continued to be in very close touch with the authorities in Seoul, and we are working closely with them.

Q. Have you gotten any clue from the Soviets at all why they have done this?

A. No.

Q. As you mentioned rescue operations, Rick, does that mean that you are of the impression that they were rather embarrassed by the incidents, and if so, were trying to (inaudible)?

A. Well, whether one calls it a rescue operation—I said air-sea rescue—it can be best called an air-sea reconnaissance operation. They were obviously trying to find the remains, if any, of this aircraft.

Q. In what area, specifically, are they trying to find the remains?

A. I can't give you any specific coordinates. We can probably be more helpful later in the day.

Q. Rick, can you say why there was such a time gap between the time the plane was shot down and before anyone was really able to confirm that that had happened?

A. I can't, Bernie, other than to say that we do not, the United States Government does not continuously monitor the movements of every aircraft around the world. This aircraft was over Soviet air space for a significant period of time—between 2 and 2½ hours—and while it is over Soviet air space, it is even more difficult, obviously, for the United States Government and others to know precisely what is happening.

Q. Secretary Shultz gave a rather precise account of what was said, who said it, and what the sort of communications were. What can you tell us about the monitoring effort, about the sources of the monitoring, about when those statements became available in this country?

A. I'm certainly not going to go into detail on the sources, and you'll understand that; but I can tell you that we did not have real time information. As I relayed to you, that information was picked up through various sources. It had to be filtered; it had to be translated; and we were not able to form a firm judgment on the fate of the aircraft, as I said, until early this morning.

Q. Was this U.S. technical means, exclusively or—?

A. No, I wouldn't say it was exclusively U.S. technical means.

Q. Rick, after the Japanese defense agency monitored that the aircraft was off course, was there an attempt by the Japanese authorities or any other authority with which we are allied, to contact that aircraft and say, "Hey, you're off course?"

A. We aren't aware of any such attempt, but I wouldn't want to leave you with the impression that no such attempt was made. Let me make a general statement: We are in the process now of collecting as much information as we possibly can about this episode. You received a good deal of hard information this morning in the Secretary's statement, and as more information becomes available, we will make it public.

Q. Did the aircraft ever report that he had been intercepted or say anything about the presence of the fighters around him?

A. Again, not that we are aware.

Q. Are you aware of an order that went out to the Soviet pilot, who according to what the Secretary said, at 1826 shot the plane down, to shoot the plane down? Did he have an order to do that?

A. We know that, first of all, the plane was shot down, and that the pilot reported that the plane was shot down, and that the pilot was in continuous contact with ground control.

Q. In the course of that continuous contact, do you know that he was ordered to shoot the plane down?

A. I just simply stand on what I said, Marvin.

Q. Can you rule out that there might have been some miscommunication?

A. No.

Q. Is it possible that the pilot misunderstood?

A. I wouldn't rule out any possibility at this standpoint, but it is very clear to us that the aircraft was shot down.

I would make a general comment which is that the Soviet Union exercises a very tight and very disciplined and centralized command and control capability for its military forces including fighter aircraft.

Q. Why was the hot line not used, and do you anticipate its use soon?

A. The hot line was not used because, very simply, we did not have the information. As I said before, we did not have real time information. We only learned that the aircraft had been shot down hours after the fact, and as soon as we learned, though, that the aircraft might be in trouble, we did get in touch immediately with the Soviets.

Q. You're suggesting in your statement here that the Soviets have very tight and disciplined control; that there is almost no possibility that this Soviet flyer was disobeying orders?

A. I just want to stand on the fact of very tight discipline and centralized—

Q. We just don't want to misinterpret, you see, and if they have very tight and disciplined control, as you say, and he was in constant contact, you're not suggesting—you are not even hinting that there was any disobedience of orders by this pilot, are you?

A. I am not trying to hint that. No.

Q. Did the length of time between when the Soviets intercepted the plane and when it was shot down indicate to our intelligence people that this went very high in the Soviet military command before a decision was made to fire on that airplane?

A. We simply don't have any information to tell us where—

Q. What is the history of the Soviet position on violation of their airspace in that part of the world? For example, have they ever said that they would shoot planes down, civilian planes, if they ventured in that area?

A. I am not aware of any kind of public declarations along those lines, but they obviously do take violations of their airspace seriously. You'll recall the episode with another Korean airliner where that airliner was forced down and was fired upon and people, passengers, were injured. [55]

Q. Rick, what does Sokolov say? When you're talking to the Soviets—when you spoke to him on the phone and then when he was summoned today, met Eagleburger—what do they say when you have this incontrovertible evidence?

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[55] Reference presumably is to the KAL airliner on a flight from Paris to Seoul, with a scheduled stop in Anchorage, on April 20, 1978, which strayed far off course, entered Soviet airspace, was fired upon by Soviet aircraft, and forced to land on a frozen lake. Two passengers were killed and eleven injured.

A. They have said nothing to us so far. They have not provided us an explanation or any information to clarify the situation.

Q. Was the airliner approaching the Kamchatka test site, or was it approaching anything else that would indicate why the pilot chose to shoot it down right there?

A. I don't have any information on that.

Q. When you say that you don't know of any attempts by the Japanese or the South Koreans to get in touch with that airplane to say, "You are off course," and the Secretary said that you weren't aware of any communication between the Russian MiGs and the aircraft, and that they might have been incapable of communication, how can that be that they would be incapable? What kind of incapacity?

A. I don't know. You're asking me to speculate, and I can't do that.

Q. Was there any evidence of wreckage found? Any sign of anything? What has been found?

A. There has been some evidence of wreckage, some kerosene on the surface of the water has been found, and apparently some other debris.

Q. Any indication of any survivors at all?

A. No.

Q. When you say that they say—that this Soviet Chargé says nothing, do you mean this literally? He sits there in silence? Do you mean he says, "Nyet"? Does he say "No comment," or does he say, "We don't understand," or "We don't have any message"? What do you mean by not—

A. I'm not going to go beyond that.

Q. Nothing?

A. I've described in a general way what they have told us so far. I'm not going to get into details of what they said.

Q. I wonder what you mean by "nothing." You're not being literal?

A. They have not given us any information.

Q. You indicated that the Secretary has talked to the President since he had his news conference with us.

A. That's right.

Q. At the news conference he said he was going on to Madrid. Is that still the case?

A. He said he was going to Madrid because he wants to raise this issue, among other issues, with the Soviet Foreign Minister.

Q. I meant after speaking with the President that is still the case?

A. That's my understanding.

Q. Rick, what did the President tell the Secretary in essence? Is he backing him in this statement?

A. Yes, he did. Very strongly backed him up.

Q. What did he say? He approved of it or—

A. My understanding is that he approved very forcefully of the Secretary's statement.

MR. HUGHES. He watched the Secretary.

MR. BURT: He had watched the Secretary on TV.

Q. Can the United States do anything about this aside from complain orally?

A. We are examining options now. We need to, as I pointed out, learn as much as we possibly can about this situation. I would make the point that this is not a U.S.-Soviet bilateral issue. It is partially a bilateral issue because a U.S. Congressman and other American citizens were on board this aircraft.

But this is an issue that clearly involves the South Koreans, and it's an issue that involves the international community. There are aviation procedures and rules for both civilian and military aircraft, and we're looking into those rules.

So I wouldn't want to say exactly what we will or won't do at this stage.

Q. Rick, what was the visibility like, according to your best sources, at the time of the shooting of the missile?

A. I would just simply say that the aircraft, the Soviet fighter aircraft, had visual contact.

Q. It was night, wasn't it? Is that right?

A. I'm not sure.

Q. Wait a minute. You said GMT was about 1800. That would be, we figured, about 2 in the morning out there.

Q. Night time.

Q. It happened in the afternoon.

A. I would just simply say—

MR. HUGHES. Two in the afternoon. You're right. [56]

Q. This aircraft was trying to leave Soviet airspace, was trying to return to his correct route, when the missile was fired?

A. This aircraft was in Soviet airspace for, as I said before, some 2, 2½ hours. My understanding is that it was shot down as it was leaving Soviet airspace. But it was shot down in Soviet airspace.

Q. What's the situation with regard to any further contact with the Soviets on this subject?

A. We expect the Soviet Union to be back to us with information.

Q. Rick, any indications that the Soviets tried to signal the plane to land or force it down or anything at all before it was shot down?

A. We have no indications of that.

Q. Rick, what do you mean when you say, "We are examining options now," by way of the U.S. response? Can you give us some idea of what you mean by that?

A. No, I can't. It's much too early to do so.

Q. Rick, is there any indication that that plane's communications system failed, or that its radar or anything failed? Any indication like that?

A. We're not aware of that.

Q. Rick, what's missing from the detail that the Secretary gave us, is it clear to you that there was an order to this pilot to shoot, as opposed to—the question was asked whether he disobeyed an order, but was there—you're saying there was an order for him from the ground to fire on the airplane.

A. Mike, I would just repeat what I said. There was continuous contact between the aircraft and ground control, that the pilot was in touch with ground control in explaining each of his steps, as he prepared to engage the aircraft, and shot down the aircraft, and described that event to ground control.

Q. I would think it has relevance because we're trying to find out whether the plane was induced to fly into Soviet airspace or whether it was a technical error that it was there.

A. Marvin, I do not have information on that at this time. I just can't help you.

Q. Rick, how much deviation was there from normal flight patterns?

A. Substantial.

Q. And did it occur during the entire 2½ hours or only in the last 10 minutes or—

A. South Korea does not recognize the Soviet Union and vice versa, and South Korean airliners do not normally fly over Soviet airspace.

Q. So it was 2½ hours in an illegal area? [57]

A. That's right.

Q. You said you'd provide us later with as much detail as you can about this incident. Will you provide us with transcripts of translations of the communications that you have available to you?

A. I doubt that very much.

Q. Rick, when you said before the plane was shot down as it was leaving Soviet airspace, had it tried to escape from airspace before? Had it been boxed in by the eight planes?

A. Bernie, we just don't have any information on that.

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[56] Actually, the plane was shot down at night, local time.

[57] Correction: The plane was tracked by Soviet aircraft for some two and one half hours, during which it was over Soviet airspace on at least two occasions. We are unable to say how long it was in Soviet airspace on each occasion. [Footnote in the source text.]

Q. When you say you were examining options, who do you mean by "we"? Is that State, is that other agencies, is that U.S. intelligence?

A. We have an interagency group which is examining the situation, and we are in touch with our allies on this subject. As I pointed out, we are in touch very closely with the South Korean Government, and we will be in touch with other interested governments.

Q. Can you just tell us which agencies are on the interagency group?

A. The National Security Council, the Department of Defense, the intelligence community, the State Department. I presume other agencies, other interested agencies.

Q. Rick, there's a late radio report that aides in Representative McDonald's office are contending that the Soviets knew that the Congressman was aboard before they shot it down, and that although this ought to bring an end to U.S.-Soviet diplomatic relations, they predict, "business as usual."

Do you have any reaction on that?

A. My reaction is to quote the Secretary of State. The United States reacts with revulsion to this attack. Loss of life appears to be heavy. We can see no excuse whatsoever for this appalling act.

Q. Did they know? Do you have any evidence that they knew he was on board, as they are suggesting in his office?

A. Not at this time.

Q. Rick, every time a major power or even a minor power commits to a military action, there's usually a policy reason behind it.

Can you perceive any kind of policy motive for this kind of attack?

A. I think it's really too early for me to try to answer that question.

Q. Rick, would you predict—although I know it's hard to predict in your business—but will you predict that the impact of this on U.S.-Soviet relations is not going to be good, at least in the short term? (Laughter)

A. I think after a senior U.S. official like the Secretary of State makes a statement like that, that question answers itself.

Q. Rick, you said the Soviets would be getting back to you with information.

A. We expect the Soviet Union to get back to us. I don't want to—

Q. Is Sokolov going to be coming back to the State Department with that information?

A. We certainly hope and expect that both here and in Moscow that the Soviets are forthcoming in answering our questions about this affair.

Q. Can I draw you out on relations a little more? Can you at all speculate on how this might affect U.S.-Soviet relations?

A. No. I don't want to speculate.

Q. Rick, if the plane was for 2½ hours flying in illegal territory, did the United States or the Japanese or any other friendly power try to warn the pilot that he was—

A. That question has been asked. Not to our knowledge.

Q. Rick, what is the U.S. policy? If a similar thing happened in our airspace, what is our policy?

A. I find it totally inconceivable that the United States Air Force would shoot down an unarmed, commercial aircraft.

Q. Do we know how strategically important or sensitive is the area to the Soviets?

A. I think that is a question you should ask the Soviet Union, and certainly it provides no excuse whatsoever for shooting down an unarmed civilian aircraft.

Q. Rick, during the 2½ hours that it was in illegal airspace, if you want to use that word, how much of that time was it being shadowed by Soviet fighters?

A. Our understanding is continuously.

Q. Rick, this seems like an obvious question in light of everything you've said, but I just want to make sure that the answer is clear on the record. Was there any Soviet contact with the United States or with the Republic of Korea indirectly or through Japan or whatever prior to the

shooting down of the plane, or even at the time the plane came into their airspace?

A. There was no Soviet contact with the United States, and we are not aware of any Soviet contact with South Korea.

Q. Can you be at all any more specific on the location? You say substantial deviation. Is that hundreds of miles inside the Soviet territory airspace or thousands of miles? Any specific location you can say where it was shot down?

A. The aircraft was flying for more than 2 hours in Soviet airspace, so you're talking about hundreds of miles.

Q. Was there a serious atmospheric disturbance that would have gotten in the way with normal sideband communications between that sophisticated aircraft and its own base?

A. I'm not aware of any atmospheric problem.

Q. Do we know—maybe it came up before. Was the pilot at any time, seeing these planes—one or two or the eight, or whatever—ever sought to leave the Soviet airspace?

A. I just can't answer that question.

Q. About Madrid, to what extent are you letting this incident revise the agenda for the talks, the upcoming talks between the Secretary and Mr. Gromyko?

A. It's revised the agenda for Madrid in one important way. As the Secretary of State has pointed out, he will hope to receive an explanation and to discuss this issue with the Soviet Foreign Minister. He also pointed out we expect to get information from the Soviet Union prior to any meeting with the Soviet Foreign Minister.

Q. A follow-up to that. Do you expect this topic to so dominate now the meeting that—

A. Again, you're asking me to speculate. I wouldn't want to.

Q. Was the airliner at all aware that they were in Soviet airspace, and, if so, why didn't they move out of it during the 2½ hours of the flight?

A. We just don't have an answer to that question.

Q. Do you have any better coordinants as to where it was shot down?

A. Again, I hope that we can give you more information on that later on.

Q. When you said it was leaving Soviet airspace, was it on its way into Japanese airspace?

A. We'll try to get you more information on that.

Q. Had it been your perception that U.S.-Soviet relations had been improving in recent months?

A. That's kind of off the topic, really, of this question. Our position on U.S.-Soviet relations has been, for sometime, that we are deeply disturbed about several aspects of Soviet behavior but at the same time we're willing to work for improvement. But beyond that, I don't think it's helpful for me to get into U.S.-Soviet policy at this briefing.

Q. In your conversations with the Chargé and in Moscow, have they as much as said we admit or we acknowledge that this has happened; we're looking into it?

A. No.

Q. Were U.S. forces ever put on any sort of alert after we learned that this might have been shot down, the aircraft?

A. U.S. Air-Sea Rescue Forces, following confirmation that the aircraft had been downed, have been participating in their own search and potentially rescue missions. But during the episode itself, during that period time that the aircraft was being followed by Soviet fighters, there was no movement of U.S. forces.

Q. How close do our planes have to get into Soviet airspace before—

A. Sorry?

Q. How close to Soviet airspace do U.S. air-sea rescue operations have to get if they're looking for evidence, for wreckage?

A. I'm sorry, I can't answer that question.

Q. Is there any indication (inaudible) other than what would be normal for a commerical airliner?

A. No.

Q. No electronic or surveillance gear?

A. No.

Q. It is at least implied, in response to questions, that the pilot who shot the plane had orders to shoot down the plane, because you said they were in constant communication. Could you be a little more explicit about that since you obviously have a lot of the details from intercepts?

A. I will only say that the pilot, in communicating with his ground control, described and discussed the sequence of movements and actions he was taking to engage this aircraft, including the arming and firing of a missile.

Q. How did you learn that, Rick? Did you monitor that?

A. Just through various sources.

Q. And those sources are even hinting that he was not given orders by the Soviet Government?

A. I said that I'm not trying to hint anything.

Q. Did your monitoring suggest that the pilot described this plane as a commercial airliner? Did he say that to ground control?

A. What he had was visual identification of the aircraft.

Q. But you heard him say he fired. Did he say this is a commercial airliner flying this way?

A. I think that it was understood that it was a commercial aircraft. But, again, we are looking into this whole episode, and hope to acquire greater detail.

Q. Was there any indication that he exchanged with the pilot of the plane, of the Korean plane, any information to ask for his identity from 1812 to 1826, which is according to the statement?

A. We have no indication to that.

Q. Have you seen the transcript of the following two lines, "I am going to fire a missile; the target is the KAL plane?" Have you seen that?

A. Off the top of my head, no.

Q. You have not? Were there pauses in the transmission from the pilot to his base that indicated he was receiving response? You said that there was a sequence of messages.

A. There was a sequence of messages where the pilot was in touch with ground control. I don't want to go beyond that.

Q. The last time there was an incident of this nature, the people in the intelligence community who were considerably upset that revelations of how we had picked up the information compromised American intelligence abilities. Are you concerned that this is happening again?

A. I'm not aware of any statements by any U.S. officials that have compromised intelligence. We haven't discussed our sources or methods.

Q. Thank you, Rick.

. . . . . .

Document 217

Statement by President Reagan, Santa Barbara, September 1, 1983 [58]

"I Speak For All Americans and For the People Everywhere Who Cherish Civilized Values In Protesting the Soviet Attack on an Unarmed Civilian Passenger Plane"

I speak for all Americans and for the people everywhere who cherish civilized values in protesting the Soviet attack on an unarmed civilian passenger plane. Words can scarcely express our revulsion at this horrifying act of violence. The United States joins with other members of

[58] Source: Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, September 5, 1983, p. 1191. The statement was read by Larry Speakes, Principal Deputy Press Secretary to the President, at a White House press briefing at the Santa Barbara Sheraton Hotel beginning at 2:33 p.m.

the international community in demanding a full explanation for this appalling and wanton misdeed.

The Soviet statements to this moment have totally failed to explain how or why this tragedy has occurred. Indeed, the whole incident appears to be inexplicable to civilized people everywhere.

Mrs. Reagan and I want to express our deepest sympathy to the families of the victims. Our prayers are with them in this time of bereavement, and they have my personal assurance that I will make every effort to get to the bottom of this tragedy. I have ordered the flags of the United States flown at half staff at all Federal installations and U.S. military bases around the world.

Document 218

Transcript of a Department of State Press Briefing, September 1, 1983 [59]

Soviet Response to U.S. Demand For an Explanation of the Shooting Down of the Korean Airliner

MR. HUGHES. Sorry about being late. I have a statement on the Soviet response to our demand earlier today for an explanation of the shooting down of the Korean aircraft.

The soviet Foreign Minister has sent a message to Secretary Shultz in reply to our demand of earlier today for an explanation of the shooting down of a Korean Airlines 747 by Soviet aircraft. The message, which was delivered by the Soviet Embassy here to the Department of State, is an almost verbatim repetition of the TASS item issued from Moscow today.

That TASS message reads as follows: "An unidentified plane entered the airspace of the Soviet Union over the Kamchatka Peninsula from the direction of the Pacific Ocean, and then for the second time violated the airspace of the U.S.S.R. over Sakhalin Island on the night from August 31 to September 1. The plane did not have navigation lights, did not respond to queries, and did not enter into contact with the dispatcher service."

I continue quoting from the TASS item from Moscow this morning. "Fighters of the Soviet Antiaircraft Defense, which were sent aloft toward the intruder plane, tried to give it assistance in directing it to the nearest airfield, but the intruder plane did not react to the signals and warnings from the Soviet fighters and continued its flight in the direction of the Sea of Japan." [60]

That's the end of the quote of the TASS story from Moscow this morning which was included almost verbatim in the Soviet response to our demand.

In addition, Mr. Gromyko's message includes a statement that in connection with the U.S. request, the Soviets have taken measures to search for the aircraft and indicates that as a result of the search signs of a possible crash have been found in the area of Morenon Island. This is not in the note, but the fact of the matter is that Morenon Island is in the Sea of Japan inside of Soviet territorial waters.

The search, according to the Soviet message, continues in the area.

The Soviet Chargé has been informed that the United States Government finds this reply totally inadequate, and the United States reiterates its demand for a satisfactory explanation.

That's all I have for you.

Q. Does the Gromyko message or did the Chargé somehow intimate that the Soviets had in fact shot the plane down? The TASS story makes no mention of that.

A. That's correct.

Q. So they simply do not explain how it is that the plane went down?

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[59] Source: Department of State files. The briefing was conducted by Department of State Spokesman John Hughes, beginning at 5:10 p.m.

[60] The text of this TASS report was printed in *Pravda* on September 2, 1983, and in *Izvestia* on September 3, 1983. (*Current Digest of the Soviet Press*, September 28, 1983, p. 1)

A. That is correct. And that is why we consider this "explanation" totally unsatisfactory.

Q. Anything, John, in connection with the search, about survivors?

A. No. We have no knowledge of any survivors, and they make no mention of survivors.

Q. Apparently Larry Speakes said that the Korean pilot radioed his position after he was hit.[61] Do you have any indication of that, and does that indicate that in fact he was near this island in the Sea of Japan?

A. No. I don't. I'm not contradicting Larry Speakes, but I don't have anything on that.

Q. There were indications earlier that the plane may have had radio trouble shortly after it left Alaska. There are some garbled communications with another Korean plane. Do you know anything about that?

A. No. Don't have anything beyond what—

Q. What's next here? We've got an inadequate reply. We say we want more. Do we expect the Soviets to tell us some more, and what happens if they don't?

A. I think these words speak for themselves. We're demanding a satisfactory explanation, we are considering our options, and I think you should keep in touch with the White House.

Q. John, any reconsideration of Madrid?

A. No.

Q. Do you know whether any of the options that have been recommended by—

A. No. Don't think I'll get into the options. As I say, I think you should remain in touch with the Western White House.

Q.—some of the options recommended by members of Congress, such as stopping Soviet planes flying in here, stop the grain deal, etc., etc. Has the administration given any consideration to those possibilities?

A. I think a variety of options—I'm not getting into them or confirming what they're discussing—have been under consideration today and undoubtedly the President would make his decision on any options that he wishes to adopt.

Q. Do you think it's a matter for the United Nations?

A. Why don't we wait and see, Jim. There certainly are international implications to this.

Q. What would you be waiting to see before you consider United Nations—

A. Why don't you keep in touch with the Western White House. I think that any announcements might come out of there.

Q. The Japanese have revealed that there was in fact an order in their chronology of events, that the Soviets did order from the ground, Soviet Command, that the pilot fire.

Can you confirm this here?

A. I think I would reiterate what Assistant Secretary Burt said earlier,[62] and I think he has not personally seen a line which says, "Fire your missile." But I think it is quite clear from the transcript that the attack was being coordinated over a period of time, and while there may not be a line in there which says, "Proceed with the attack," the pilot was making clear what actions he was taking, and at no time was there a command not to attack. So I think one has to assume—

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[61] At a press briefing by Speakes in Santa Barbara, California, beginning at 10:20 a.m. on September 1, 1983, a reporter asked: ". . . do we have any intelligence information on the conversations, or SOS messages relayed by the Korean pilot in that two-hour period when they were being followed?" Speakes replied in part: "None that I'm aware of. I think the only conversation that I'm aware of is after the Korean pilot—Korean aircraft was stuck [*struck*], he did radio position of his aircraft as he was losing altitude, but I'm not certain that that—this is all part of the analysis—whether that position that he radioed was accurate; was, indeed, where he was." (Office of the Press Secretary to the President)

Later, at a press briefing beginning at 2:33 p.m. that same day, Speakes said: "I made a statement this morning that the Korean plane, after being hit, radioed its position. There seemed to be some questions raised by our intelligence people as to we weren't sure exactly who that came from." (Office of the Press Secretary to the President)

[62] See the press briefing, documen 216.

Q. The Japanese have that line, I believe.

A. They may have. I'm being as helpful as I can in telling you what we have.

Q. In one version put out by the Japanese of the transcript they talk about three missiles. As far as you are—

A. Not aware of that.

Q. Only one.

A. As far as we're aware.

Q. Does the United States dispute the Soviet comment in its response that the plane had no lights and made no radio contact—no navigation lights? Does the U.S. dispute that at all? And what implications, if any, do those observations have vis-à-vis the plane's going off course in the first place, its remaining off course for 2½ hours, and its failure to respond to efforts to warn it?

A. We weren't there, so it's hard to give you a view of whether those navigation lights were working or not, but we have no indication they were not.

Q. You have no indication that—

A. And indeed the transcript does talk of the aircraft—talks of a Soviet pilot making mention of the navigation lights of the plane.

Q. When we talked about options, I want to be clear that your answer to my question was not a generalized answer, that, yes, we consider options, thank you very much. I was asking specifically about the grain deal, [63] I was asking specifically about Kennedy's recommendation that flights be cut off. [64]

A. There are a lot of people out there today, Marvin, offering various ideas and various options. They're coming from airline pilots and Congressmen and so forth and so on, and obviously all options, I think, that are suggested would be given attention.

That doesn't mean to say that those options are necessarily under consideration having been initiated in the State Department.

Q. Are U.S. allies involved in this discussion of options? Are we—

A. I think I'm going to stand where I am and not go any further on that.

Q. Are you expecting any response from—I don't mean response—are you expecting any action from the United States within the next 24 hours related to the shooting down of this plane?

A. I think that you will see further activity on this front. Yes.

Q. Do you have a number of American casualties yet?

A. No. I do not. I'm afraid that's all I've got for you. Thank you.

Q. Is that it for today, John?

A. That's it.

Document 219

Letter From the Acting Representative at the United Nations (Lichenstein) to the President of the U.N. Security Council (Sinclair), September 1, 1983 [65]

U.S. Request For Urgent Security Council Meeting

DEAR MR. PRESIDENT: On urgent instructions from my government and in view of the gravity of the situation arising from the destruction by fighters of the Soviet airforce of a Republic of Korea Boeing 747 aircraft carrying civilian passengers of different nationalities over waters of the Japanese island of Hokkaido, I wish to bring the following facts to your attention and to that of all members of the Security Council.

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[63] Reference is to the U.S.–U.S.S.R. grain agreement, August 25, 1983.

[64] Reference presumably is to Senator Edward Kennedy, who joined other U.S. lawmakers in calling for a suspension of all commercial flights to and from the Soviet Union. (*New York Times*, September 2, 1983, p. 16)

[65] Source: U.S. Mission to the United Nations Press Release USUN 67-(83), September 1, 1983.

At 1400 hours, Greenwich mean time, August 31, 1983, a Korean Airline Boeing 747 en route from New York to Seoul, Korea, departed Anchorage, Alaska, carrying 269 passengers and crew.

At approximately 1600 hours (GMT), the aircraft came to the attention of Soviet radar personnel. It was tracked constantly by Soviet military authorities from that time. According to information available to my government, the aircraft strayed into Soviet airspace over the Kamchatka Peninsula, over the Sea of Okhotsk and over Sakhalin Island.

The Soviets tracked the commercial airliner for some two-and-one-half hours. A Soviet pilot reported visual contact with the aircraft at 18:12 hours. The Soviet plane was in constant contact with its ground control.

At 18:12 hours the Korean aircraft was reported by the Soviet pilot at 10,000 meters. At 18:26 hours the Soviet pilot reported that he fired a missile and the target was destroyed. At 18:30 hours the Korean aircraft was reported by radar at an altitude of 5,000 meters. At 18:38 hours the Korean plane disappeared from the radar screens.

The United States Government knows that at least eight Soviet fighters reacted at one time or another to the airliner. The pilot who shot the airline down reported after the attack that he had, in fact, fired a missile, that he had destroyed the target, and that he was breaking away.

About an hour later, Soviet controllers ordered a number of their search aircraft to conduct search and rescue activity in the vicinity of the last position of the Korean airliner reflected by Soviet tracking. One of these aircraft reported finding kerosene on the surface of the seas in that area.

The United States Government considers this action of Soviet military authorities against a civil air transport vehicle a flagrant and serious attack on the safety of international civil aviation.

This action by the Soviet Union violates the fundamental legal norms and standards of international civil aviation. These norms and standards do not permit such use of armed force against foreign civil aircraft. There exists no justification in international law for the destruction of an identifiable civil aircraft, an aircraft which was tracked on radar for 2 1/2 hours, and which was in visual contact of Soviet military pilots prior to being deliberately shot down.

It is the considered position of the Government of the United States of America that this unprovoked resort to the use of force by the Soviet military authorities in contravention of international civil aviation organization standards and the basic norms of international law must be deplored and condemned by the international community and by world public opinion.

Upon instructions from my government, I request, in association with the Republic of Korea, that you convene an urgent meeting of the Security Council to consider this serious matter. I further request that this letter be circulated as a document of the Security Council.

Sincerely,

CHARLES M. LICHENSTEIN

Document 220

Statement by President Reagan, Point Mugu Naval Air Station, California, September 2, 1983 [66]

Reactions to the Soviet Destruction of the Korean Civilian Airliner

First let me just say that Nancy and I were deeply saddened last night to learn of the death of Senator Henry Jackson. He was a friend, a colleague, a true patriotic, a deserted—devoted servant of the people. He will be sorely missed, and we both extend our deepest sympathy to his family.

Now, in the wake of the barbaric act committed yesterday by the Soviet regime

[66] Source: White House Press Release, September 2, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, September 5, 1983, p. 1193. The President spoke to reporters at 12:35 p.m. after a helicopter flight from his ranch. Following his statement he boarded *Air Force One* for the return to Washington.

against a commercial jet liner, the United States and many other countries of the world made clear in compelling statements that expressed not only our outrage but also our demand for a truthful accounting of the facts. Our first emotions are anger, disbelief, and profound sadness. While events in Afghanistan and elsewhere have left few illusions about the willingness of the Soviet Union to advance its interests through violence and intimidation, all of us had hoped that certain irreducible standards of civilized behavior nonetheless obtained. But this event shocks the sensibilities of people everywhere.

The tradition in the civilized world has always been to offer help to mariners and pilots who are lost or in distress on the sea or in the air. Where human life is valued, extraordinary efforts are extended to preserve and protect it. And it's essential that as civilized societies we ask searching questions about the nature of regimes where such standards do not apply.

Beyond these emotions, the world notes the stark contrast that exists between Soviet words and deeds. What can we think of a regime that so broadly trumpets its vision of peace and global disarmament and yet so callously and quickly commits a terrorist act that sacrifices the lives of innocent human beings? What can be said about Soviet credibility when they so flagrantly lie about such a heinous act? What can be the scope of legitimate mutual discourse with a state whose values permit such atrocities, and what are we to make of a regime which establishes one set of standards for itself and another for the rest of humankind?

We've joined in the call for an urgent U.N. Security Council meeting today. The brutality of this act should not be compounded through silence or the cynical distortion of the evidence now at hand.

And tonight I will be meeting with my advisers to conduct a formal review of this matter, and this weekend I shall be meeting with the Congressional leadership.

To the families of all those on the ill-fated aircraft, we send our deepest sympathy, and I hope they know our prayers are with them all. (Applause)

Document 221

Statement by the Secretary of State (Shultz), September 2, 1983 [67]

"The World Is Waiting For the Soviet Union To Tell the Truth"

The Soviet Union has today issued another statement in its continuing effort to cover up the facts of the inhuman Soviet attack on an unarmed civilian airliner. They still will not admit the truth—that they shot down an unarmed civilian aircraft.

The facts are:

1. The aircraft was a commercial airliner on a regularly scheduled flight—and the Soviet fighter came close enough to see that.

2. The passengers on the flight came from many nations and included a number of women and children.

3. The airliner in question was not of U.S. registry.

4. The United States was not aware that the Korean airliner was in jeopardy until after it was shot down. Our first knowledge of this incident was based on subsequent analysis of Soviet defense activity.

TASS also asserts that the Soviet aircraft fired-warning shots with tracer shells along the route of the plane. We know the Soviet pilot reported that he had fired on the target and it was destroyed. There is no indication that the Soviets tried to warn the plane by firing tracers.

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[67] Source: Department of State Press Release 331, September 6, 1983; printed also in Department of State *Bulletin*, October 1983, p. 5. Secretary Shultz read the statement at 5:45 p.m. The source text also contains the introductory comments by Department of State Spokesman John Hughes: "At the direction of the President, the Secretary of State will read a statement responding to the TASS statement of this afternoon. He will not, unfortunately, be able to answer any questions." The TASS statement referred to was presumably the one printed in *Pravda* on September 3, 1983, and in *Izvestia* on September 4, 1983. For text, see *Current Digest of the Soviet Press*, September 28, 1983, pp. 1–2.

The Soviet Union is clearly engaged in an effort to divert attention from its own actions by false claims of a U.S. intelligence connection with the Korean civilian airliner.

None of this can obscure the facts. The Soviet Union must accept the responsibility for having shot down an unarmed commercial airliner, taking the lives of 269 human beings. No cover-up, however brazen and elaborate, can change this reality—or absolve the Soviet Union of its responsibility to explain its behavior. The world is waiting for the Soviet Union to tell the truth.

Document 222

Statement by the Deputy Representative at the United Nations (Lichenstein) in the U.N. Security Council, September 2, 1983 (Extracts) [68]

Facts on the Korean Airliner Incident and Their Implications for International Law

Mr. President, I wish at the outset to read the statement issued today by the President of the United States, as he left California on his return to Washington [69]—where at 1830 hours he has convened an extraordinary meeting of his National Security Council.

. . . . . .

This strong and eloquent expression of anguish for the families of 269 victims, this expression of deep concern for what this heinous crime means for international peace and security, indeed, for the best hopes of decent people everywhere, this statement by the President of my country needs no amplification by me.

What I will try to do this afternoon is, first, to provide some framework, some context for this tragedy. I will then spell out the facts as best we now know them—and let me note here that hour-by-hour these last 2½ days, more and more facts have become and are becoming available to my government, and as they do our concern deepens and our outrage grows. Then, finally, I will draw some few, preliminary conclusions about the meaning of this tragedy—the lessons that it may hold for us here in this Council and, more generally, for all people everywhere in the world who enjoy freedom . . . [70] who would preserve the freedom they enjoy . . . those who seek freedom.

How can we begin to characterize this crime? And a crime worse compounded, Mr. President, by the Soviets' continuing denial of any responsibility for it, a denial which is in contempt of the truth as, gradually, we are learning it and in contempt of the opinion of civilized mankind.

On the basis of the facts presently available to my government, the crime must be characterized as calculated and deliberate. From all presently available evidence, the pilot of the SU-15 Soviet interceptor—the pilot who pulled the trigger or pushed the button that unleashed the heat-guided missile which destroyed Korean Airlines flight #007 and 269 innocent lives along with it—that pilot had the Korean 747 in his sights, clearly identified as a civilian airliner, well within 2 kilometers of the 747, for more than ten minutes running, prior to launching the destructive missile.

The crime committed was indeed calculated, and indeed, it was deliberate—and it was wantonly irresponsible. On no conceivable assumption of the peril posed by a single commercial airliner to the putative security of the Soviet Union, a regularly scheduled nighttime flight, however much off course it may have strayed—on no conceivable such assumption could the Soviet reaction be characterized as other than incommensurate, as outrageously excessive, as wantonly irresponsible.

Let us call the crime for what clearly it is: wanton, calculated, deliberate murder.

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[68] Source: U.S. Mission to the United Nations Press Release USUN 68-(83); also printed in Department of State *Bulletin*, October 1983, pp. 3-5.

[69] See document 220. Lichenstein's quotation of the last five paragraphs of the President's statement is omitted here.

[70] All ellipses of three periods are in the source text.

Most of us by now know the basic facts of this criminal act of mass murder—but let me again outline them in brief:

At 1400 hours, Greenwich mean time, August 31, 1983, a Korean Airline Boeing 747 en route from New York to Seoul, Korea, departed Anchorage, Alaska, carrying 269 passengers and crew.

At approximately 1600 hours (GMT), the aircraft came to the attention of Soviet radar personnel. It was tracked constantly by Soviet military authorities from that time. According to information available to my government, the aircraft strayed into Soviet airspace over the Kamchatka Peninsula, over the Sea of Okhotsk and over Sakhalin Island.

The Soviets tracked the commercial airliner for some 2½ hours. A Soviet pilot reported visual contact with the aircraft at 1812 hours. The Soviet plane was in constant contact, was receiving orders and instructions from its ground control.

At 1812 hours the Korean aircraft was reported by the Soviet pilot at 10,000 meters, roughly 33,000 feet. At 1826 hours the Soviet pilot reported that he fired a missile and the target was destroyed. At 1830 hours the Korean aircraft was reported by radar at an altitude of 5,000 meters. At 1838 hours the Korean plane disappeared from the radar screens.

The United States Government knows that at least eight Soviet fighters reacted at one time or another throughout this period in excess of 2½ hours to the airliner. The pilot who shot the airliner down reported after the attack that he had in fact fired a missile, that he had destroyed the target, and that he was breaking away—as he put it, "I am leaving the attack." (I must defer to our Soviet colleague. It may well be that I am not adequately or properly translating the Russian. But then he has all of the facts in his possession.) It is also of interest to note that prior to firing the heat-seeking missile, the Soviet SU–15 interceptor deliberately circled back around behind the Korean 747, the better to aim his heat-seeking missile and in order to avoid any possibility of being hit by flying debris.

As we reflect on the possible meaning of this crime, and its possible consequences, I want very briefly to touch on its implications for any reasonable approximation to the codes and conventions of international law.

First and foremost are the legal obligations which flow from what the International Court of Justice—whose jurisdiction, needless to say, the Soviet Union usually does not accept—has called "certain general and well-recognized principles, namely elementary considerations of humanity, even more exacting in peace than in war."

If there were no other relevant rules, these well-recognized principles of humanity would rule out shooting down a passenger plane, a clearly marked airliner engaged in international civil aviation. But there are other very relevant rules. There are the rules of the Charter about the prohibition of the use of force. There are rules specific to civil aviation. Annex 2 to the Chicago Convention on Civil Aviation [71] contains "Rules of the Air." These Rules set forth the procedures to be used when intercepting a foreign aircraft not properly within the airspace of the intercepting country, that is to say, radio communications, rocking of wings, and irregular flashing of lights. The "Rules of the Air" do *not* include shooting down a civil airliner.

Attachment A to Annex 2 of the Chicago Convention is even clearer:

> "Interception of civil aircraft should be avoided and should be undertaken only as a last resort. If undertaken, the interception should be limited to determining the identity of the aircraft and providing any navigational guidance necessary for the safe conduct of the flight . . . . Intercepting aircraft should refrain from the use of weapons in all cases of interception of civil aircraft."

It is interesting as I have looked over the detailed log of some 75 instances, documented instances in which Soviet aircraft have strayed into Western, into American airspace. I have looked over the log carefully to discover the response in each case. I wish to recite from that long catalog only two rather interesting such flights. Among the numerous incidents there was that of the Aeroflot flight into Dulles Airport on November 8, 1981. This flight entered United States airspace at an

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[71] For text of the Convention on International Civil Aviation, signed in Chicago on December 7, 1944, and entered into force for the United States on April 4, 1947, see 3 Bevans 944.

unauthorized entry point in New England, flew over New England land area although its clearly demarcated route was almost exclusively over open water. It continued to fly according to an unauthorized route over the Pease Air Force Base and the naval facility at Groton, Connecticut. And then, finally, it landed in Dulles, Washington, D.C. Several days later, the same aircraft on leaving Dulles for its return flight flew a similiar unauthorized route over New England. My government lodged a very firm protest. My government then imposed what it considered a proportionate penalty. It suspended Aeroflot scheduled service into Dulles for two flights. It did not authorize the use of a heat-seeking missile!

What might we expect that a normal, reasonably civilized government do in such a situation such as the one that confronts us? It would, first of all, admit and accept responsibility for the act. It would express profound regret for the loss of life. It would undertake a credible investigation of the circumstances of the act to determine if there was individual responsibility, and it would discipline the responsible individuals. It would also pledge that such an act would never be repeated, and it would demonstrate that appropriate steps are being taken to insure against any repetition.

What by contrast has the Soviet Union done until now? Has it given the slightest indication that it accepts responsibility for this heinous act? Has it shown the least bit of compassion for the families of those innocent people who were killed, who were, as I have said, murdered? Has it taken any steps to initiate a process of investigation to determine responsibility? Has it given any sign of reassurance to the international community that it appreciates the gravity of what has happened and will take whatever steps are necessary to insure against its repetition? On the contrary, Mr. President, the Soviet attitude has lacked even a trace of contrition. In the face of utter disbelief on the part of the entire international community it denies any responsibility for shooting down this unarmed civilian airliner. It has shown no regret over the loss of life. It has indicated no readiness to punish those responsible. It has demonstrated no determination to avoid a repetition of such an incident.

It has, in other words, behaved with complete—and I must add, characteristic—contempt for the international community and for even minimal standards of decency and civilized behavior. In its refusal to admit the truth—to accept responsibility for this act —it is lying openly, brazenly, knowingly. In so doing it is—ironically—showing its true face to the world, the face that is so often hidden behind the peace offensive and the propaganda machine, behind all the talk of brotherhood and human solidarity, and international co-existence.

It is the face of a ruthless totalitarian state, a state which has been responsible over the past six and a half decades for killing more people—the latest estimate I have read is between 70 and 80 million—and enslaving more nations than any state in the history of mankind; a state that tailors its concept of truth to what will advance its own interests—that and nothing else; a state that does not accept responsibility for a minimally decent international order; a state whose ultimate objective is to remake the world in its own image, which necessarily means a world in which it will control the lives of people and the fate of nations as completely and as ruthlessly as it exercises control over its own people—and I should add, over those who innocently stray into its airspace.

If we are to learn anything from this awful tragedy, it is this message and this terrible warning.

It is said that we must, and of course we must, live in the same world with the Soviet Union. But if we are *to live* in that world—in freedom, and not in slavery—and if that world is to continue to allow room for the individual existence of nations and the survival of freedom and comparable human values, then it is best that we recognize now, before it is far, far, too late, the true nature of Soviet totalitarianism and the threat it poses to all people, those living under its yoke and those still free of such domination.

Let me complete my statement, Mr. President, by reading the words of a noble and eloquent Russian, formerly a citizen of the Soviet Union—not atypically a former citizen of the Soviet Union who now finds it neccessary to live outside his country. I quote from Alexander Solzhenitsyn:

> "Let us not forget that violence does not and cannot exist by itself. It is invariably intertwined with the lie. They are linked in the most intimate, most or-

ganic and most profound fashion. Violence cannot conceal itself behind anything except lies. And lies have nothing to maintain them except violence. Anyone who has once proclaimed violence as his method must inexorably choose the lie as his principle."

Document 223

Transcript of a White House Press Briefing, September 5, 1983 (Extracts) [72]

Background Information on the President's Forthcoming Address to the Nation

SENIOR ADMINISTRATION OFFICIAL. . . . I am at somewhat of a disadvantage here tonight, ladies and gentlemen, because the President is still working on the speech which is very much his own and I, therefore, cannot be totally precise on everything that may be in it. [73]

Having said that, it is clear that the President really wishes in this speech to do three general things: First of all is to stress once again on his own behalf and on behalf of the American people our horror at the act of the shooting down of KAL 007; secondly, to continue the process of laying out the facts as we obtain them before the nation and the world, a process that was begun by Secretary Shultz last Thursday in his statements; [74] and thirdly, to describe in a general way the actions the United States intends to take in response to the KAL shoot down.

It is important to remember that what we are dealing with is a Soviet act that has horrified public opinion. It is the U.S.S.R. against the world. Our objective is to act with the international community both broadly and in the civil aviation context in specific terms to accomplish several things.

First of all, to demand the facts and an admission from the Soviet Union that the plane was shot down by the Soviet Union; secondly, to obtain appropriate recompense for those injured by that act; and thirdly, to assure that acts of this sort do not happen again.

Our objectives will not be served if the shoot down of KAL 007 can be portrayed as simply a part of the East–West struggle. That is not what it is. It's another demonstration of the character and nature of the Soviet Union: its values, its priorities, its decision making process. The act is hideous, of course, but so is Afghanistan and Poland and yellow rain. A realistic assessment of the Soviets must recognize that the shoot down of KAL 007 is not out of keeping with past Soviet performance.

The way to change Soviet behavior is through economic, military and alliance strength—objectives which the President has been pursuing from the moment he was inaugurated as President of the United States.

At the same time—and the President will make this clear tonight, the United States must continue its efforts to maintain a dialogue with the Soviet Union where it is in our interests. It is for that reason that he has already announced that Paul Nitze will return to Geneva to continue the negotiations on intermediate-range nuclear force in Europe.[75] It is for that reason that we will continue the START negotiations, because our objective is to seek reductions in nuclear arms of both categories. It is, in short, in our interests.

The President will make clear that he has instructed Secretary Shultz to go to Madrid to meet with Mr. Gromyko in order to emphasize to the Soviet Foreign Minister our great concern about the shoot down of KAL 007. That will be the principal focus of the discussion that Secretary Shultz has with Mr. Gromyko. We

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[72] Source: Office of the Press Secretary to the President. The briefing was conducted on background by two senior administration officials in the Briefing Room of the White House beginning at 5:50 p.m. The briefers were introduced by Larry Speakes, Principal Deputy Press Secretary to the President.

[73] See *infra*.

[74] For text of Secretary Shultz's statement on Thursday, September 1, 1983, see document 215. The Secretary made no other statement on the KAL incident that day.

[75] For the President's statement following his meeting with Nitze, September 3, 1983, in which he affirmed his decision to continue arms control talks with the Soviet Union, see *Weekly Compilation of Presidential Documents*, September 12, 1983, p. 1198.

consider it particularly appropriate since the Madrid meeting is, after all, dedicated to the question of human rights, and travel without fear to person or property is certainly a human right. In short, the shoot-down does not change our estimate or approach to the Soviet Union. Rather, it confirms it. It was a terrible act, but one which must be dealt with in a way that increases the chance that it won't happen again.

So to summarize, we will deal with this issue on two levels: with a response to the specific act itself and the fact sheet you have been handed largely details the direction in which the President is moving in that regard. [76]

And in the broader sense we will reaffirm the approach of this administration to dealing with the Soviet Union; that is, an approach combined of realism, strength, and dialogue.

As Larry Speakes indicated at the beginning—and I want to highlight this—the President in his speech tonight will include a part of the tape we have of the conversation of the Soviet pilots. He will also announce that at the Security Council tomorrow Ambassador Kirkpatrick will play the entire tape that we have in our possession. And I should indicate that we will at the same time or as we play that tape make available a transcript of the tape also tomorrow.

Q. Will that be in the Security Council?

SENIOR ADMINISTRATION OFFICIAL. It will be in the Security Council.

Q. Afternoon, morning, do you think?

SENIOR ADMINISTRATION OFFICIAL. I am not sure yet. The last I heard there was still conversation going on. I am sorry I can't tell you yet. It will go in the morning or afternoon.

Q. Is it the same 8-minute tape that was played for the congressional leaders yesterday? [77]

SENIOR ADMINISTRATION OFFICIAL. I am not sure exactly how much was played for the congressional leaders. We will play the entire tape which I—don't hold me to this—but it runs about 20 minutes. Let me deal with one other issue before we open this to questions.

I have been told by Larry Speakes and others that there are a host of questions relating to the RC-135 question. [78] And I want to deal with that for a moment. I think you will be handed a piece of paper which will contain everything I am about to say. [79] I want to emphasize that that is all I have to say on this subject today.

A U.S. RC-135 aircraft was in the vicinity of the Korean airliner on August 31, when the airliner was initially detected by Soviet radar. Both aircraft were then in international air space and the U.S. aircraft never entered Soviet air space. The United States routinely conducts unarmed RC-135 flights in international air space of the Kamchatka Peninsula to monitor by national technical means Soviet compliance with the SALT Treaty. The Soviets conduct similar monitoring activities near U.S. missile testing sites. The Soviets are aware of our flights and track them routinely. They know that our aircraft do not enter their air space. The Korean aircraft's inadvertent entry into Soviet territory should have been an early and strong indication to the Soviets that the flight was not a U.S. reconnaissance aircraft.

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[76] In his introduction of the briefers, Larry Speakes indicated that this "fact sheet" was a draft or outline of the address the President would give later that evening.

[77] Reference is to a meeting at the White House with the bipartisan leadership of the Congress on the KAL incident on September 4, 1983, from 10 to 11:40 a.m. It was followed by an additional hour of discussion on the Middle East. Among those who attended were: President Reagan; Vice President Bush; Secretary of State Shultz; Secretary of Defense Weinberger; Director of Central Intelligence, William J. Casey; Chairman of the Joint Chiefs of Staff, General John W. Vesey, Jr.; Assistant to the President for National Security Affairs, William P. Clark; Senate Majority Leader, Howard H. Baker, Jr.; Senate Minority Leader, Robert C. Byrd; Senate President pro tempore, Strom Thurmond; House Speaker, Thomas P. O'Neill; House Majority Leader, James C. Wright, Jr.; and House Minority Leader, Robert H. Michel.

[78] An example of this questioning was the White House press briefing on September 4, 1983, beginning at 2:13 p.m., which was conducted by Larry Speakes. According to a transcript of this briefing, questions on the U.S. RC-135 aircraft in the vicinity of the Korean airliner took up nearly one hour of the briefing. (Office of the Press Secretary to the President)

[79] The paper, which is quoted in full below, is also printed in Department of State *Bulletin*, October 1983, p. 6, but the latter erroneously gave the date of release as September 4, 1983.

SENIOR ADMINISTRATIVE OFFICIAL. The Soviets traced the Korean aircraft and the U.S. aircraft separately and knew there were two aircraft in the area. So we do not believe this was a case of mistaken identity. The closest point of approach of the two aircraft was approximately 75 nautical miles while the U.S aircraft was in its mission orbit. Later, the U.S. aircraft crossed the path taken by the Korean airliner, but by then the airliner was 300 miles away. Still later, as the Korean airliner strayed off course, and overflew the Kamchatka Peninsula, it was initially identified by the Soviets as an RC-135 and then as an unidentified aircraft. Approximately 2 1/2 hours after the Soviet and Korean aircraft were near each other in international space, the Soviets shot down the Korean airliner as it was exiting or had exited their territory west of Sakhalin Island, some 1,000 miles from the operating area of the U.S. aircraft.

During the 2 1/2 hours of Soviet surveillance of the Korean aircraft, the Soviets had radar images, both ground and air, of the Korean 747. The two aircraft are distinctly different in shape and size. Their fighter aircraft also had visual contact with the Korean aircraft. The SU-15 and the MIG-23 aircraft pilots' voices are on the tape obtained by the United States and played for the congressional leadership never referred to the Korean aircraft as an RC-135, only as "the target."

They made no serious effort to identify the aircraft or to warn it. They did not appear to care what it was. Instead, they were intent on killing it. If the Soviets made a mistake in identification, which stretches the imagination, they have not said so to date. In fact, they have not to date admitted shooting down the Korean commercial aircraft with 269 people aboard. We continue to ask the Soviets for their full accounting of this incident. The presence of a U.S. reconnaissance aircraft on a routine monitoring mission to assure Soviet compliance with treaty obligations some 1,000 miles and 2 1/2 hours flight time from the scene of the shoot down in no way excuses or explains this act which speaks for itself. In fact, the RC-135 in question at the time that KAL flight 007 was shot down had been on the ground at its home base in Alaska for more than one hour.

Now, that is the end of the statement which I think is being handed out to you. I do want to add one other fact because I am told that it has been a question.

Our aircraft, that is the RC-135, was not monitoring commercial aircraft, and did not know that the Korean aircraft was, of course, in jeopardy. I have with me. . . . As I indicated to you, I really cannot go any further on the question of the RC-135, but between us, we would be glad to try to answer any questions you may have on the speech.

. . . . . .

Q. What are the negotiations you are suspending?

SENIOR ADMINISTRATION OFFICIAL. The fact sheet there—well, it's done in a general way. But to be a bit more specific, let me be a little more specific there. For example, as I think you will know, we were in the process of discussions with the Soviets which would return us to negotiations on opening a Kiev council [*consulate*]. We were in discussions with the Soviets on resuming negotiations on a cultural agreement. Those two will be suspended. I think there is in the fact sheet a specific reference to the transporation agreement. [80]

Q. What is that?

Q. What is the transportation agreement?

SENIOR ADMINISTRATION OFFICIAL. There's an agreement—you probably can explain this in more detail than I—there's an agreement between the Soviets and the United States on transportation. I'll now let the brains explain it further.

SENIOR ADMINISTRATION OFFICIAL. This was an agreement that was signed in the mid-seventies—frankly, I don't remember precisely what the year of original signing was—which recently expired. And the question was, should it be renewed.

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[80] Reference is to the Agreement between the United States and the Soviet Union on Cooperation in Transportation, which entered into force on June 19, 1973; for text, see 24 UST 1463. This agreement was amended and extended for 2 years on June 19, 1978, with the provision of extension for an additional 3 years unless terminated by one of the parties at least 30 days before June 19, 1980; for text, see 30 UST 1584.

Q. What is the practical effect of not renewing? What does it do?

SENIOR ADMINISTRATION OFFICIAL. The agreement itself again covers several areas of transporation, including civil aviation, civil aviation cooperation. These are cooperative research and other cooperative efforts. As a matter of fact, since the invasion of Afghanistan, activity under the agreement was reduced and one of the new areas we had some projects going under is civil aviation. I think this was one. Given that fact, it's particularly inappropriate at this time to renew until we can receive assurances that the Soviets are no longer threatening the safety of civil aviation.

. . . . . .

Q. You mentioned this transportation agreement which no one seems to know too much about, that it just expired but you were not going to renew it. What it says on the fact sheet was in fact it was renewed for 18 months in June of this year and now you are cancelling the renewal. Which is correct?

SENIOR ADMINISTRATION OFFICIAL. Let me tell you the specific situation and if the fact sheet says 18 months it is, I think, wrong.

Q. They also say—

SENIOR ADMINISTRATION OFFICIAL. The agreement expired, I think, at the end of August. We will get you the exact facts. We were in discussions with the Soviets about a renewal of that agreement. We had sent a diplomatic note in fact to the Soviet Union saying we were prepared to extend the agreement for 6 months while we discussed renewing it for a greater length of time. We have now withdrawn that note which informed the Soviet Union that we were prepared to extend it for the 6 months while we discussed a further or a renegotiation or a pursuit of the agreement so that we have withdrawn the note to the Soviets which would have extended it for 6 months. It is now, therefore, expired.

Yes, sir?

Q. What is your view of the Carter administration sanctions that they took after Afghanistan, boycott of the Olympics and the grain embargo? Was it your view that, the administration's view, that this does more harm than good and is that why you are not pursuing this kind of thing?

SENIOR ADMINISTRATION OFFICIAL. I think the view of this administration with regard to the grain embargo is clear. It was clear when the President was campaigning for office. In addition as you know we now have legislation which makes a grain embargo even more difficult to impose.

With regard to the Olympic sanctions I won't argue at all that those actions were important and should have been taken—for example, the Olympic sanctions. But I am simply saying that with regard to this specific case and without trying to get into an argument about whether Poland deserves more sanctions or less than this event, it is our judgment that the best way to proceed in response to this act is to deal with it particularly in the area of civil aviation, at the same time, by the way and they are in the fact sheet, but pursuing claims on the part of those who have been injured or killed, the families of those who were killed but to pursue it in the civil aviation area while recognizing that with regard to the general question of dealing with the Soviet Union the way you deal with them is in the broader aspects that I have tried to identify.

Yes, sir?

Q. Is it also true—

Q. Could you tell us the three negotiations that you have suspended or cancelled, are those the only ones that you mentioned or are there more?

SENIOR ADMINISTRATION OFFICIAL. There are those three, yes.

Q. Could your statement be taken to mean that no further bilateral actions stemming directly from this are contemplated by the United States?

SENIOR ADMINISTRATION OFFICIAL. No. you can't take it at that. You can simply take it as a statement that as of this time right now these are the steps that the President wishes to take. All I am saying then is I can't predict what further actions he may decide in the next weeks to take.

. . . . . .

Q. Can we just try one more on this Kiev council [*consulate*]; just what is is? Is this a council—

SENIOR ADMINISTRATION OFFICIAL. Factual.

Q. You are not going to open; is that what it is?

SENIOR ADMINISTRATION OFFICIAL. Got it. We were in the process of negotiating for the opening of a consulate, a U.S. consulate in Kiev, and a Soviet consulate in New York prior to the Afghan invasion. At the time of the Afghan invasion, President Carter stopped those negotiations. Earlier this year we began again with the Soviets discussions of opening a U.S. consulate in Kiev, and a Soviet consulate in New York. We have now suspended those discussions.

THE PRESS. Thank you.

Document 224

Address by President Reagan, September 5, 1983 [81]

U.S. Measures In Response to the Soviets' "Korean Airline Massacre"

My fellow Americans, I'm coming before you tonight about the Korean airline massacre—the attack by the Soviet Union against 269 innocent men, women, and children aboard an unarmed Korean passenger plane. This crime against humanity must never be forgotten, here or throughout the world.

Our prayers tonight are with the victims and their families in their time of terrible grief. Our hearts go out to them—to brave people like Kathryn McDonald, the wife of a Congressman whose composure and eloquence on the day of her husband's death moved us all. He will be sorely missed by all of us here in government.

The parents of one slain couple wired me: "Our daughter . . . and her husband . . . died on Korean Airline Flight 007. Their deaths were the result of the Soviet Union violating every concept of human rights." [82] The emotions of these parents—grief, shock, anger—are shared by civilized people everywhere. From around the world press accounts reflect an explosion of condemnation by people everywhere.

Let me state as plainly as I can: There was absolutely no justification, either legal or moral, for what the Soviets did. One newspaper in India said, "If every passenger plane . . . is fair game for home air forces . . . it will be the end to civil aviation as we know it."

This is not the first time the Soviet Union has shot at and hit a civilian airliner when it overflew its territory. In another tragic incident in 1978, the Soviets also shot down an unarmed civilian airliner after having positively identified it as such. In that instance, the Soviet interceptor pilot clearly identified the civilian markings on the side of the aircraft, repeatedly questioned the order to fire on a civilian airliner, and was ordered to shoot it down anyway. The aircraft was hit with a missile and made a crash landing. Several innocent people lost their lives in this attack—killed by shrapnel from the blast of a Soviet missile.

Is this a practice of other countries in the world? The answer is no. Commercial aircraft from the Soviet Union and Cuba on a number of occasions have overflown sensitive United States military facilities. They weren't shot down. We and other civilized countries believe in the tradition of offering help to mariners and pilots who are lost or in distress, on the sea or in the air. We believe in following procedures to prevent a tragedy, not to provoke one.

But despite the savagery of their crime, the universal reaction against it, and the evidence of their complicity, the Soviets still refuse to tell the truth. They have persistently refused to admit that their

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[81] Source: White House Press Release, September 5, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, September 12, 1983, pp. 1199–1202. The President's address was broadcast live on nationwide radio and television from the Oval Office of the White House beginning at 8 p.m.

[82] All ellipses are in the source text.

pilot fired on the Korean aircraft. Indeed, they've not even told their own people that a plane was shot down.

They have spun a confused tale of tracking the plane by radar until it just mysteriously disappeared from their radar screens, but no one fired a shot of any kind. But, then, they coupled this with charges that it was a spy plane sent by us and that their planes fired tracer bullets past the plane as a warning that it was in Soviet air space.

Let me recap for a moment and present the incontrovertible evidence that we have. The Korean airliner, a Boeing 747, left Anchorage, Alaska, bound for Seoul, Korea, on a course south and west which would take it across Japan. Out over the Pacific, in international waters, it was for a brief time in the vicinity of one of our reconnaissance planes, an RC–135 on a routine mission. At no time was the RC–135 in Soviet air space. The Korean airliner flew on and the two planes were soon widely separated.

The 747 is equipped with the most modern computerized navigation facilities, but a computer must respond to input provided by human hands. No one will ever know whether a mistake was made in giving the computer the course or whether there was a malfunction. Whichever, the 747 was flying a course further to the west than it was supposed to fly—a course which took it into Soviet air space.

The Soviets tracked this plane for 2 1/2 hours while it flew a straight line course at 30–35,000 feet. Only civilian airliners fly in such a manner. At one point, the Korean pilot gave Japanese air control his position as east of Hokkaido, Japan, showing that he was unaware they were off course by as much or more than 100 miles.

The Soviets scrambled jet interceptors from a base in Sakhalin Island.

Japanese ground sites recorded the interceptor plane's radio transmissions—their conversations with their own ground control. We only have the voices from the pilots; the Soviet ground to air transmissions were not recorded. It's plain, however, from the pilot's words that he's responding to orders and queries from his own ground control.

Here's a brief segment of the tape which we're going to play in its entirety for the United Nations Security Council tomorrow.

(Tape being played)

Those were the voices of the Soviet pilots. In this tape, the pilot who fired the missile describes his search for what he calls the target. He reports he has it in sight, indeed he pulls up to within about a mile of the Korean plane, mentions its flashing strobe light and that its navigation lights are on. He then reports he's reducing speed to get behind the airliner, gives his distance from the plane at various points in this maneuver, and finally announces what can only be called the "Korean Airline Massacre." He says he has locked on the radar, which aims his missiles, has launched those missiles, the target has been destroyed, and he is breaking off the attack.

Let me point out something here having to do with his close up view of the airliner on what we know was a clear night with a half moon. The 747 has a unique and distinctive silhouette unlike any other plane in the world. There is no way a pilot could mistake this for anything other than a civilian airliner. And if that isn't enough, let me point out our RC–135 that I mentioned earlier had been back at its base in Alaska, on the ground, for an hour when the murderous attack took place over the Sea of Japan.

And make no mistake about it, this attack was not just against ourselves or the Republic of Korea. This was the Soviet Union against the world and the moral precepts which guide human relations among people everywhere. It was an act of barbarism, born of a society which wantonly disregards individual rights and the value of human life and seeks constantly to expand and dominate other nations.

They deny the deed, but in their conflicting and misleading protestations, the Soviets reveal that, yes, shooting down a plane—even one with hundreds of innocent men, women, children, and babies—is a part of their normal procedure if that plane is in what they claim as their air space.

They owe the world an apology and an offer to join the rest of the world in working out a system to protect against this ever happening again. Among the rest of us there is one protective measure: An international radio wave length on which

pilots can communicate with planes of other nations if they are in trouble or lost. Soviet military planes are not so equipped because that would make it easier for pilots who might want to defect.

Our request to send vessels into Soviet waters to search for wreckage and bodies has received no satisfactory answer. Bereaved families of the Japanese victims were harassed by Soviet patrol boats when they tried to get near where the plane is believed to have gone down in order to hold a ceremony for their dead. But we shouldn't be surprised by such inhuman brutality. Memories come back of Czechoslovakia, Hungary, Poland, the gassing of villages in Afghanistan. If the massacre and their subsequent conduct is intended to intimidate, they have failed in their purpose. From every corner of the globe the word is defiance in the face of this unspeakable act and defiance of the system which excuses it and tries to cover it up. With our horror and our sorrow, there is a righteous and terrible anger. It would be easy to think in terms of vengeance, but that is not a proper answer. We want justice and action to see that this never happens again.

Our immediate challenge to this atrocity is to ensure that we make the skies safer and that we seek just compensation for the families of those who were killed.

Since my return to Washington, we have held long meetings, the most recent yesterday with congressional leadership. There was a feeling of unity in the room, and I received a number of constructive suggestions. We will continue to work with the Congress regarding our response to this massacre.

As you know, we immediately made known to the world the shocking facts as honestly and completely as they came to us.

We have notified the Soviets that we will not renew our bilateral agreement for cooperation in the field of transportation so long as they threaten the security of civil aviation.

Since 1981, the Soviet airline Aeroflot has been denied the right to fly to the United States. We have reaffirmed that order and are examining additional steps we can take with regard to Aeroflot facilities in this country. We are cooperating with other countries to find better means to ensure the safety of civil aviation and to join us in not accepting Aeroflot as a normal member of the international civil air community unless, and until, the Soviets satisfy the cries of humanity for justice. I am pleased to report that Canada today suspended Aeroflot's landing and refueling privileges for 60 days.

We have joined with other countries to press the International Civil Aviation Organization to investigate this crime at an urgent special session of the Council. At the same time, we're listening most carefully to private groups, both American and international, airline pilots, passenger associations and others, who have a special interest in civil air safety.

I am asking the Congress to pass a joint resolution of condemnation of this Soviet crime.

We have informed the Soviets that we're suspending negotiations on several bilateral arrangements we had under consideration.

Along with Korea and Japan, we called an emergency meeting of the U.N. Security Council which began on Friday.[83] On that first day, Korea, Japan, Canada, Australia, the Netherlands, Pakistan, France, China, the United Kingdom, Zaire, New Zealand, and West Germany all joined us in denouncing the Soviet action and expressing our horror. We expect to hear from additional countries as debate resumes tomorrow.

We intend to work with the thirteen countries who had citizens aboard the Korean airliner to seek reparations for the families of all those who were killed. The United States will be making a claim against the Soviet Union within the next week to obtain compensation for the benefit of the victims' survivors. Such compensation is an absolute moral duty which the Soviets must assume.

In the economic area in general, we're redoubling our efforts with our allies to end the flow of military and strategic items to the Soviet Union.

Secretary Shultz is going to Madrid to meet with representatives of 35 countries who, for 3 years, have been negotiating an agreement having to do with, among other things, human rights. Foreign Minister Gromyko of the Soviet Union is sched-

[83] September 2, 1983.

uled to attend that meeting. If he does come to the meeting, Secretary Shultz is going to present him with our demands for disclosure of the facts, corrective actions, and concrete assurances that such a thing will not happen again and that restitution be made.

As we work with other countries to see that justice is done, the real test of our resolve is whether we have the will to remain strong, steady and united. I believe more than ever, as evidenced by your thousands and thousands of wires and phone calls in these last few days, that we do.

I have outlined some of the steps we're taking in response to the tragic massacre. There is something I've always believed in, but which now seems more important than ever: The Congress will be facing key national security issues when it returns from recess. There has been legitimate difference of opinion on this subject, I know, but I urge the Members of that distinguished body to ponder long and hard the Soviets' aggression as they consider the security and safety of our people, indeed all people who believe in freedom.

Senator Henry Jackson, a wise and revered statesman and one who probably understood the Soviets as well as any American in history, warned us, "The greatest threat the United States now faces is posed by the Soviet Union." But, Senator Jackson said: "If America maintains a strong deterrent—and only if it does—this Nation will continue to be a leader in the crucial quest for enduring peace among nations."

The late Senator made those statements in July on the Senate floor speaking in behalf of the MX missile program he considered vital to restore America's strategic parity with the Soviets.

When John F. Kennedy was President, defense spending as a share of the Federal budget was 70 percent greater than it is today. Since then, the Soviet Union has carried on the most massive military buildup the world has ever seen. Until they are willing to join the rest of the world community, we must maintain the strength to deter their aggression.

But while we do so, we must not give up our effort to bring them into the world community of nations. Peace through strength as long as necessary but never giving up our effort to bring peace closer through mutual, verifiable reduction in the weapons of war.

I've told you of negotiations we've suspended as a result of the Korean airline massacre, but we cannot, we must not give up our effort to reduce the arsenals of destructive weapons threatening the world. Ambassador Nitze has returned to Geneva to resume the negotiations on intermediate-range nuclear weapons in Europe. Equally, we will continue to press for arms reductions in the START talks that resume in October. We are more determined than ever to reduce and, if possible, eliminate the threat hanging over mankind.

We know it will be hard to make a nation that rules its own people through force to cease using force against the rest of the world. But we must try.

This is not a role we sought—we preach no manifest destiny. But like Americans who began this country and brought forth this last, best hope of mankind, history has asked much of the Americans of our own time. Much we have already given. Much more we must be prepared to give.

Let us have faith, in Abraham Lincoln's words, "that right makes might, and in that faith, let us, to the end, dare to do our duty as we understand it." If we do, if we stand together and move forward with courage, then history will record that some good did come from this monstrous wrong that we will carry with us, and remember for the rest of our lives.

Thank you, God bless you, and good night.

Document 225

Statement by the Representative at the United Nations (Kirkpatrick) in the U.N. Security Council, September 6, 1983 [84]

"The Transcript We Have Just Heard . . . Establishes That the Soviets Decided To Shoot Down This Civilian Airliner, Shot It Down, Murdering the 269 Persons Aboard, and Lied About It"

Most of the world outside the Soviet Union has heard by now of the Korean flight 007 carrying 269 persons between New York and Seoul which strayed off course into Soviet air space, was tracked by Soviet radar, was targeted by a Soviet SU-15 whose pilot coolly, and after careful consultation, fired two air-launched missiles which destroyed the plane and, apparently, its 269 passengers and crew.

This calculated attack on a civilian airliner—unarmed, undefended, as civilian airliners always are—has shocked the world.

Only the Soviet people have still not heard about this attack on KAL–007 and death of the passengers because the Soviet Government has not acknowledged firing on the Korean airliner. Indeed, not until September 5 did Soviet officials acknowledge that KAL–007 had disappeared in its icy waters. [85]

The Soviet Government has not been silent about the plane, it has merely lied.

On September 1, Foreign Minister Gromyko announced that:

"An unidentified plane coming from the direction of the Pacific Ocean, entered the air space of the Soviet Union over the Kamchatka Peninsula and then for the second time violated the Soviet air space over the Sakhalin Island. The plane did not have navigation lights, did not respond to queries and did not enter into contact with the radio control service.

"Fighters of the Anti-Aircraft Defense, which were sent aloft towards the intruder plane, tried to give it assistance in directing it to the nearest airfield. But the intruder plane did not react to the signals and warnings from the Soviet fighters and continued its flight in the direction of the Sea of Japan." [86]

The next day, September 2, TASS repeated Gromyko's charge that Soviet airspace had been rudely violated by "an unidentified plane" which "in violation of international regulations" . . . flew without navigation lights . . ." [87] TASS referred to efforts to establish contacts with the plane "using generally accepted signals and to take it to the nearest airfield in the territory of the Soviet Union. Over the Sakhalin Island," they said, "a Soviet aircraft fired warning shots with tracer shells along the flying route of the plane. Soon after this the intruder plane left the limits of Soviet air space and continued its flight toward the Sea of Japan. For about 10 minutes it was within the observation zone of radio location means, after which it could be observed no more. . . ." [88]

Yesterday, when Soviet General Romanov finally admitted that the Korean plane had crashed killing "numerous" people, he also asserted, "the jetliner was flying with its lights out. . . ."

This is what TASS said, but we do not have to wonder about what really happened to the airliner, or when it happened, or what Soviet officials knew about its fate. We know, because we know what the Soviet pilots who intercepted the Korean airliner over the Sakhalin Island said to their ground controllers during the 50-minute period from 17:56 to 18:46 on August 31 while they tracked, discussed and destroyed the Korean airliner and its passengers.

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[84] Source: U.S. Mission to the United Nations Press Release USUN 70/1–(83), September 6, 1983; printed also in Department of State *Bulletin*, October 1983, pp. 8–11.

[85] Reference is presumably to the statement by General Semyon Romanov, Soviet Chief of Staff of the Air Defense Forces, published in *Pravda*, September 5, 1983. For text, see *Current Digest of the Soviet Press*, September 28, 1983, pp. 4–5.

[86] See footnote 60 above.

[87] All ellipses are in the source text.

[88] See footnote 67 above.

The U.S. Government in cooperation with the Government of Japan has decided to spread the evidence before this Council and the world. It is available on the video tape I am about to play. On this tape you will hear the voices of the pilots of Soviet interceptors—which included three SU–15 Flagons and one MIG–23 Flogger, including the SU–15 pilot who pulled the trigger which released the missiles that destroyed Korean Airlines flight 007. While it is obvious that the pilots are acknowledging instructions from ground controllers, those instructions are not audible. What I am about to play back for you is the intercepted tape of the actual air-to-ground reports; it is of course in Russian; on the monitor screens you will see, simultaneously, the original Russian and the English translation; through your audio system you will listen to these voices in translation into all the working languages of the United Nations. (Immediately following my presentation, Mr. President, the Russian-to-English transcript will be made available to all who may wish to study it.[89] After this session of the Security Council an audio cassette on which voices are still clearer will be provided to any interested mission.)

Nothing was cut from this tape. The recording was made on a voice-actuated recorder and, therefore, it covers only those periods of time when conversation was heard.

(Play tape)

The transcript we have just heard, Mr. President, needs little explanation. Quite simply, it establishes that the Soviets decided to shoot down this civilian airliner, shot it down, murdering the 269 persons aboard, and lied about it.

The transcript of the pilots' cockpit conversations illuminates several key points.

—The interceptor which shot KAL–007 down had the airliner in sight for over 20 minutes before firing his missiles.

—Contrary to what the Soviets have repeatedly stated, the interceptor pilot saw the airliner's navigation lights and reported that fact to the ground on three occasions.

—Contrary to Soviet statements, the pilot makes no mention of firing any warning shots, only the firing of the missiles which he said struck the "target."

—Contrary to Soviet statements, there is no indication whatsoever that the interceptor pilot made any attempt either to communicate with the airliner, or to signal for it to land in accordance with accepted international practice. Indeed the Soviet interceptor planes may be technically incapable of communicating by radio with civilian aircraft presumably out of fear of Soviet pilot defections.

—Perhaps the most shocking fact learned from the transcript is that at no point did the pilots raise the question of the identity of the target aircraft nor at any time did the interceptor pilots refer to it as anything other than the "target". The only activity bearing on the identity of the aircraft was a statement by the pilot of the attacking interceptor that "the target isn't responding to IFF." This means the aircraft did not respond to the electronic interrogation by which military aircraft identify friends or foes (IFF). But, of course, the Korean airliner could not have responded to IFF because commercial aircraft are not equipped to do so.

We know the interceptor which shot down KAL–007 flew behind, alongside, and in front of the airliner (coming at least as close as 2 kilometers) before dropping back behind the plane and firing his missiles. At a distance of two kilometers under the conditions prevailing at that time, it was easily possible to identify a 747 passenger airliner. Either the Soviets knew the Korean plane was a commercial airliner or he did not know his target was a civilian passenger airliner. If the latter, then he fired his deadly missiles without knowing or caring what they would hit. Though he could easily have pulled up to within some number of meters of the airliner to assure its identity, but did not bother to do so. In either case there was shocking disregard for human life and international norms.

In the days following the destruction of KAL–007, Soviet leaders and the Soviet press have said they do not understand what all the fuss is about. They began by accusing the United States of creating a "hulabaloo" about nothing, and more recently they have accused us of a "provocation"—implying, though never quite saying, that we "provoked" them into

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[89] Not printed, but for a corrected transcript released on September 11, 1983, see document 233.

shooting down an airliner that strayed into their space, "provoked" them into violating the internationally agreed upon standards and practices of behavior. They have spoken as though a plane's straying off course is a crime punishable by death. They have suggested that "like any self-respecting state, [they][90] are doing no more than looking after [their] sovereignty which [they] shall permit no one to violate." (From a newscast, September 4, 1983, Moscow Domestic Television Series.) They have claimed still without acknowledging that they shot down the Korean airliner that "our antiaircraft defense has fulfilled its duty for the defense of the security of our motherland." They have suggested that they may have mistaken the Korean airliner for an American reconnaissance plane, but *still* do not admit that they attacked and destroyed it.

But none of these lies, half lies and excuses can withstand examination. Straying off course is not recognized as a capital crime by civilized nations. And no nation has the sovereign right to shoot down any person or vehicle that may stray across its border in peacetime. There are internationally agreed upon standards for intercepting unwelcome aircraft. They call for serious efforts at identification, verification, warning, and if the case is serious, for intercepting the intruder and forcing it to land or to leave one's airspace. Sovereignty neither requires nor permits shooting down airliners in peacetime.

Recently the Soviets have implied that the KAL-007 may have been mistaken for a U.S. (aerial) reconnaissance flight. But that is no more persuasive. The Korean Boeing 747 was on a routine scheduled flight. At the time it was shot down the U.S. reconnaissance plane referred to by the Soviets had been on the ground 1,500 miles away for more than an hour.

Moreover, the United States does not fly reconnaissance missions in Soviet airspace. We do regularly operate aircraft in international airspace to monitor Soviet compliance with SALT and other arms control agreements. The Soviets know what our usual flight patterns are and can readily identify these missions.

Finally, neither the United States nor any other country upset about the slaughter of the 269 passengers of KAL-007 is creating a "hulabaloo" by exaggerating the importance of the events. We are protesting very important violations of the norms of civilized conduct on which international aviation rests, without which it will not be possible for any of us to board airliners, fly across continents and oceans without fear of being the object of a murderous attack. To a degree we rarely consider, international air travel depends on networks of mutual trust that we will not shoot down one another's airliners, kidnap, jail, or poison passengers and crews.

Why did the Soviet Union violate these norms— why have they lied about it? Two reasons are most often advanced to explain why the Soviet pilot shot down the airliner. One is that it was a mistake—the mistake of a trigger happy pilot who with his ground controller followed a philosophy of shoot now, identify later.

But if pilot error was responsible for this tragic mistake, why has the Soviet Government not said so? Why has it lied, and why is it complementing its murderous attack on KAL-007 with a lying attack on the United States for provocation and aggression?

As I considered this question my mind returned to a debate that took place in this Security Council twenty one years ago when my distinguished predecessor, Adlai Stevenson, called the attention of the Council to the "unmistakable evidence" that a series of facilities for launching offensive nuclear missiles were being installed in the Western Hemisphere. Soviet Representative Zorin flatly denied the charges and, as Soviet Representatives so often do, coupled his lying denial with a vicious attack on the United States. Our calling attention to threatening Soviet behavior, Zorin asserted, only masked the U.S. own aggression and piracy. But Adlai Stevenson, too, had the photographic evidence to back up his charge[91]—as irrefutable as the audio tapes we have today.

The fact is that violence and lies are regular instruments of Soviet policy. Soviet officials regularly behave as though truth were only a function of force and will—as if the truth were only what they

[90] All brackets in this quotation are in the source text.

[91] Reference is to the exchanges between Stevenson and Zorin in the U.N. Security Council on October 25, 1962, during the Cuban missile crisis.

said it is; as if violence were an instrument of first resort in foreign affairs. They occupy Afghanistan and accuse the U.S. of interference in internal affairs. They create massive new European vulnerabilities with their SS-20's and accuse NATO of seeking to upset the balance of power.

We think otherwise. We believe that truth is as vital to cooperation and peace among nations as among people.

It is depressing to consider seriously our global prospects if they must be built on relations devoid of truth, devoid of trust. It is depressing to consider a world in which a major nation equipped with the most powerful modern weapons believes it has a sovereign right to fire on a commercial airliner lost over its territory. These Soviet actions and claims illuminate the Soviet conception of appropriate relations among nations in peacetime. They illuminate the world in which we live and work and make policy.

Of course, some sophisticated observers believe that the destruction of flight 007 was not the work of an isolated Strangelove, unconcerned about human life, but was instead a deliberate stroke designed to intimidate—a brutal, decisive act meant to instill fear and hesitation in all who observed its ruthless violence much as the destruction of Afghan villagers or the imprisonment of the Helsinki monitors are intended to secure compliance through terror.

Whichever the case—whether the destruction of KAL-007 and its passengers reflects only utter indifference to human life or whether it was designed to intimidate—we are dealing here not with pilot error but with decisions and priorities characteristic of a system. Not only did Soviet officials shoot down a stray commercial airliner and lie about it, they have callously refused offers of international participation in search and rescue efforts in spite of clearly stated "International Standards and Recommended Practices" of the International Civil Aviation Organization, which call on states to "grant any necessary permission for the entry of such aircraft, vessels, personnel or equipment into its territory and make necessary arrangements . . . with a view to expediting such entry."

We are reminded once again that the Soviet Union is a state based on the dual principles of callousness and mendacity. It is dedicated to the rule of force. Here is how Lenin described the "dictatorship of the proletariat" in 1920: "The scientific concept of 'dictatorship' means nothing more than unrestricted power, absolutely unimpeded by law or regulations and resting directly on force." (The Fifth Russian Edition of Lenin's Collected Works, Vol. 41, p. 383.)

It is this principle of force—this mentality of force—that lies at the root of the Korean Airline tragedy. This is the reality revealed to the world by this horrible tragedy. It is a reality that we all must ponder as we consider the threats to peace and human rights that face all of us today.

The United States deeply believes that immediate steps should be taken here in the United Nations to decrease the likelihood of any repetition of the tragedy of KAL-007. We ask our colleagues to join with us in the coming days in the effort to wrest from the tragedy of KAL-007 new clarity about the character of our world, and new constructive efforts to render us all more secure in the air and on the ground.

Thank you.

Document 226

Statement by the Acting Secretary of State (Eagleburger), September 6, 1983 [92]

"Today the Soviet Government At Last Admitted That Its Forces Shot Down KAL #007 . . . . Today's Release Continues To Lie to the World but Also Raises the Most Serious Questions About the Competence of the Soviet Air Defense System"

Today the Soviet Government at last admitted that its forces shot down KAL #007.[93] Their confession comes only after the truth was known everywhere, that the U.S.S.R., without any justification, shot down an unarmed civilian airliner with 269 people aboard. And their admission was made only after the entire civilized world had condemned the Soviet action. Yet the Soviet Union has still not apologized, nor has it accepted responsibility for this atrocity. On the contrary, the Soviet Government states flatly that it will take the same action in the future in similar circumstances.

The international community is thus being asked to accept that the Soviet Union is not bound by the norms of international behavior and human decency to which virtually all other nations subscribe.

The Soviet Government statement claims that the Soviet air defense forces concluded that the Korean airliner was a reconnaissance plane on a spying mission. It strains credulity to accept the argument that the Soviets, after more than 2 1/2 hours of tracking, and after the SU-15 that later shot down KAL #007 had moved to approximately 1 mile from the Korean aircraft, failed to identify the KAL airliner for what it was—a distinctively shaped Boeing 747 commercial aircraft. Despite statements by the Soviet Government to the contrary, it is clear from the recording of the Soviet interceptor pilots' conversations with ground control that the Korean airliner's navigation lights were, in fact, illuminated. The recording reveals no warnings given to the doomed KAL flight.

The statement that attempts were made on the international distress frequency—121.5 megacycles—is not borne out by the facts. Even if the Soviet aircraft had that capability—which we do not believe—there is no evidence on the tapes of the Soviet pilots making any such transmission. The Korean airliner's radios were working prior to the shootdown—as evidenced by the position reports made by the pilot to Japanese ground radio stations up to the time he was blasted out of the sky by a Soviet fighter. These transmissions were remarkable only by the routine nature of the conversations.

Just as there is no indication that the Soviet fighters attempted to contact the innocent airliner using the established international procedures, there is no indication that the airliner was either aware of or trying to evade the Soviet fighters or even that it was aware of the presence of those aircraft. Tragically, there is no indication that the Korean airliner even thought it was off course.

Previous Soviet accounts have been demonstrated by this most recent statement to be, at a minimum, grossly misleading. Today's release continues to lie to the world but also raises the most serious questions about the competence of the Soviet air defense system, with all the danger that implies.

The world community still needs straight answers. We are tired of lies and half-truths. Decent respect for the opinion of mankind requires that:

The Soviet Union must provide a full accounting of what transpired;

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[92] Source: Department of State *Bulletin*, October 1983, p. 11. The statement was made available to newsmen. Eagleburger was serving as Acting Secretary in the absence of Secretary Shultz, who had departed earlier that day for the Madrid meeting of the Conference on Security and Cooperation in Europe.

[93] Reference presumably is to a Soviet Government statement, published in *Pravda* on September 7, 1983, and in *Izvestia* on September 8, 1983, in which it admitted that its fighter plane had shot down the airliner but still laid all responsibility for the incident on the United States. For text of this Soviet statement, see *Current Digest of the Soviet Press*, September 28, 1983, pp. 9–10.

It must make an unequivocal apology for its actions;

It must make restitution for the victims' families; and

It must cooperate with international efforts to investigate this tragedy and to recover its victims.

The Soviet Union must accept the norms of civilized society in respecting the lives of innocent travelers. The world demands that the Soviet Union give assurances and take specific steps to ensure that the events of August 31 cannot occur again.

Document 227

Statement by the Secretary of State (Shultz), Madrid, September 7, 1983 [94]

Reaction To Gromyko's Speech at the CSCE Conference

I have just these comments on Minister Gromyko's speech, and have the text of it here and particularly I want to comment on what he said about the Korean Airline shootdown. He says, first, "We state Soviet territory, the borders of the Soviet Union are sacred."

There is no weight given in that statement to the human values involved in an airliner crossing those borders by mistake, or a ship getting off-course. It is an unequivocal statement in favor of the security dimension with no weight whatever to the human values involved, when you have a boat or a plane that is lost at sea or in the air. That expresses very well one of the differences between our societies.

He goes on and talks about a juggling of facts and falsehoods. I would have to say that from the very beginning, we have heard nothing but falsehoods from the Soviet Union and it is disappointing to me to sit in that hall at a conference that is dedicated to human rights, to truth, and hear the Foreign Minister of the Soviet Union continue to state these same falsehoods that have been going on all week long.

Document 228

Statement by the Secretary of State (Shultz), Madrid, September 8, 1983 [95]

"Foreign Minister Gromyko's Response To Me Today Was . . . Totally Unacceptable"

The unprovoked Soviet destruction of a defenseless unarmed Korean airliner has underlined the basic themes of this conference in the most distressing conceivable way. This Madrid conference has been about the fundamental relationship between human rights and security. This brutal Soviet action has vividly displayed the Soviet Union's lack of concern for the human lives involved, and the preposterous explanation the Soviets have offered and continue to offer to a disbelieving world has only compounded the problem.

In his formal statement to the conference yesterday, Foreign Minister Gromyko made matters even worse by claiming that his country had the right to do what it did, and has the right to do it again.

My comments in our meeting this afternoon were appropriately focused on human rights, and particularly on the rights of people everywhere who expect decent regard for their lives and safety when they travel by air.

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[94] Source: Department of State Press Release 338, September 9, 1983. The Secretary made his statement to television journalists following Gromyko's speech at the CSCE Conference. For text of a similar statement the Secretary made to print journalists on that occasion, see Department of State *Bulletin*, October 1983, p. 12. For a condensed text of Gromyko's speech, see *Current Digest of the Soviet Press*, October 5, 1983, pp. 10-11.

[95] Source: Department of State Press Release 339, September 9, 1983; also printed in Department of State *Bulletin*, October 1983, p. 12. The Secretary made his statement following his meeting with Soviet Foreign Minister Gromyko at the CSCE Conference.

Foreign Minister Gromyko's response to me today was even more unsatisfactory than the response he gave in public yesterday. I find it totally unacceptable.

This is not the end of the matter. In the days and weeks ahead, the United States, along with others throughout the international community, will press hard for justice for the families of those murdered and safety and security for innocent travelers.

Document 229

Transcript of a Department of State Press Briefing, Madrid, September 8, 1983 [96]

Shultz–Gromyko Meeting

Thank you, John. I am not going to make a lengthy statement. I will make a few points about the meeting. As you know even in these very extraordinary circumstances we have a practice of not commenting on our confidential discussions with the Soviet Union.

Q. Can you speak louder?

[A.] As you know, we do not comment on our confidential exchanges, but I will make a few brief points. As the Secretary of State stated, the meeting was from our perspective totally unsatisfactory because the Soviet Union and Soviet Foreign Minister Gromyko were completely insensitive to the concerns felt around the world created by the Korean airline massacre. The Secretary of State treated the Korean massacre as a human rights problem and addressed it in that context. Soviet Foreign Minister Gromyko did not want to discuss this issue, but was made to discuss it at the meeting. The Soviet Foreign Minister had a different agenda, wanted to discuss arms control. He made a lengthy and somewhat stale presentation on Soviet support for arms control which included nothing new in the way of negotiating proposals and his presentation on arms control subjects, mainly INF, did not appear to demonstrate much flexibility in terms of the Geneva negotiations.

While our concern at the meeting was to focus on the Korean massacre as a human rights problem, the Secretary did describe President Reagan's strong commitment on arms control. His initiatives in different fora including strategic arms reduction talks, the mutual balance force reduction talks in Vienna, the INF negotiations where the United States has proposed that all INF missiles be eliminated and a complete ban in the chemical weapons area. But as I said, the focus of the Secretary of State's presentation was the Korean airline episode where he stated I think, the world community's case very forcefully, asking the Soviet Union not only for an explanation but for steps to insure that this episode would never take place again.

As in his public presentation yesterday, Foreign Minister Gromyko sought to shift the responsibility for this to the United States. It became clear in the meeting that further discussion on the subject was not going to be constructive and the Secretary of State suggested that the meeting come to an end. Which it did.

I will be happy to take your questions.

Q. In what respect was it worse today than—

[A.] I would only say that in terms of substance of the presentation the line was very similar to yesterday's. In terms of style, the Foreign Minister's presentation was more aggressive.

Q. Sir, you said that—(inaudible) and the statement in front of us says that this is not the end of the matter. Does this imply then that the meeting in New York between the two Foreign Ministers would also not take place?

[A.] That is a subject we are not looking at at this time.

Q. Can you describe—did Shultz talk first or did Gromyko talk first and how long did it take Shultz to lay out his views, or his piece?

[A.] . . . , I don't really want to go into that kind of detail. I think that they

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[96] Source: Department of State files. The press briefing was conducted on background by senior American officials following Secretary Shultz's meeting with Gromyko in Madrid on September 8, 1983. Omitted is the introduction by Department of State Spokesman John Hughes, who explained the ground rules for this background briefing.

both had a chance to go back and forth. There was some discussion early on in the meeting about the agenda along the lines I suggested. The Soviet Foreign Minister did not early on in the meeting want to address the airliner incident at all.

Q. Can you then on a different level, can you talk about whether all of this is really a lot of sound and fury and nothing is going to come of it, since you don't seem to be getting a lot of rush to cooperate on any kinds of actions?

[A.] Well, first of all that's not correct. And the purpose of this press conference is not to talk about those actions. But that is incorrect. Second of all, it is not all sound and fury. Just based on the speeches that you've undoubtedly listened to here at this conference. From the fair sample of world opinion, it is clear that people are very upset about the massacre. And as the Secretary of State's statement following his meeting with Gromyko makes clear, this is not the end of the matter. We are going to continue along with other countries to push this question, to demand an explanation, and to demand that the Soviet Union take steps to insure that we don't see this happen again.

Q. I think you have to give us a little bit more of how it went since it is important for the substance. You seem to suggest that Gromyko perhaps had spoken first about arms control. The Secretary made some comment on arms control, which is a question he had said earlier he would not talk about anything else. And secondly he seemed to talk about the plane incident and Gromyko then apparently started giving an explanation and the impression you gave was that the Secretary then cut him off in the middle.

[A.] Well, . . . you're trying to put a lot of words into my mouth mainly designed to give you more information. We normally, in these cases, and I've briefed on other Gromyko meetings, I think we've gone into as much detail today as we have in previous meetings. There was a discussion early on in the meeting about the agenda. There was a fairly lengthy and typical Soviet statement about arms control. The Secretary of State defended the administration's position on arms control, making it clear that it was the United States that has come forward with innovative and imaginative approaches. But that conversation only took place after the Soviet Foreign Minister had agreed that he would discuss the airliner episode. In the discussion of the airliner episode, it became clear that Mr. Gromyko's line was the same as the one he presented in public yesterday. That is, that this was a U.S. responsibility, which is totally preposterous and unacceptable. The Soviet Union in today's meeting was insensitive to the concerns felt around the world by this heinous act.

HUGHES. Here, there is one over here. Here we go. Nope. Here, here.

Q. . . . Would you care to pass a judgment on the reaction in this conference to the Gromyko statement yesterday meaning, the speeches today, the mention or lack of mention. For instance, the Yugoslavs and the Rumanians did not mention it, others did.

[A.] Well, our judgment is that the countries, the vast majority of countries represented at this conference are greatly concerned.

Q. . . . , why did it take 2 hours? Were speakers using interpretation or was Gromyko listening to Shultz and then (inaudible).

[A.] Gromyko was speaking in Russian and that was being interpreted. And as your question implies, that tends to drag the meeting out somewhat.

Q. But he didn't ask for any interpretation of Shultz?

[A.] No.

HUGHES. One back here.

Q. Yesterday Foreign Minister Gromyko said at the conference that it appeared that the Korean jet was actually doing some form of spy work. Did he repeat clearly these things to the Secretary?

[A.] I said earlier that the substance of the presentation closely paralleled what was said yesterday in public.

HUGHES. Mr. . . . .

Q. Can we say that the bulk of the conversation this afternoon dealt with the airliner?

[A.] I would say that it was a good portion of today's subject. I wouldn't want to get into fractions whether it was 60 percent, 40 percent, I don't think that is a very sensible way to describe it.

Q. On the agenda, the discussion on arms control there seemed to have been a bit of change in the position described to some of us on the plane. Then Shultz said he wouldn't talk about arms control if Gromyko raised it. I'm just wondering if he had to decide to have some discussion of this before he could get Gromyko to come to the meeting.

[A.] You didn't listen closely enough to what I had said. There was no negotiation about arms control going on in this meeting. What we heard was a stale reiteration of Soviet commitment to arms control with very little new in substance. And all that the Secretary of State did in a very forceful way was to defend the President's record in the area of arms control.

HUGHES. One in the back in the aisle there.

Q. How long. . . .

HUGHES. No, the gentlemen next to you. Go ahead.

Q. (Inaudible.) What do you think that the Russians have interest to shoot the plane?

HUGHES. (To . . .) What was the Russian motivation?

[A.] Well, I think the Soviets explained that pretty clearly. They consider their territory to be sacred and that anything that seems to overfly it runs the very serious risk of being shot down. In other words their territory rather than human life is sacred.

HUGHES. This gentlemen here in front of us.

Q. You said that Mr. Shultz called the meeting to an end. Was there at any point the indication that Mr. Gromyko was about to walk out or to leave?

[A.] I don't want to discuss that.

HUGHES. Mr. . . . .

Q. I would like to ask two sort of unrelated questions. While we were in there, we were listening to the news broadcast which said that the U.S. fleet had started shelling in Lebanon. Did this matter come up in any way in today's meeting? And secondly, what happens now, did the two men say to each other we will talk about this again in New York? Did they express to each other any kind of future contacts on this subject or on any other subject?

[A.] The answer to both of those questions is no.

HUGHES. Mr. . . . .

Q. Did Secretary Shultz use the word massacre? Or is that your word using the word massacre?

[A.] Well, he has certainly used that word publicly and I can't recall that off the top of my head whether he did or he didn't.

Q. Did he use it in the meeting?

[A.] I just can't say.

Q. Did the Secretary bring up other human rights matters, the Helsinki monitoring groups, immigration matters?

[A.] I think because he treated this issue in the human rights context that you can assume that he did.

HUGHES. . . .

Q. As you know, on Friday the Secretary said that there might not be a meeting at the UN with Mr. Gromyko if the answers here still were not satisfactory. Does he plan to meet Foreign Minister Gromyko at the UN or not?

[A.] This is just a question as I said before we are not addressing right now.

HUGHES. Over here.

Q. How far do you think that this meeting with Gromyko will change the content, the subject of Shultz's speech tomorrow at the conference?

[A.] That's—I think the meeting has just taken place—It is something we'll consider prior to the speech.

HUGHES. Mr. . . .

Q. Mr. . . . How would you describe Soviet-American relations now?

[A.] Well, I don't really want to say too much about that simply because that we again have to think about the implications of this meeting and assess it. We've said before that the massacre has had an adverse impact. That's an obvious point to make. I think a more important point to make though is that this episode of the

massacre itself is not a U.S.-Soviet problem. A more appropriate question to ask is what does the Korean airliner incident mean for the Soviet Union's relationship with the rest of the world? It's standing within the international community.

Q. Sir, there was a report that following today's meeting between Mr. Gromyko and Mr. Fernando Moran, the Spanish Foreign Minister, that Mr. Gromyko told Mr. Moran or suggested that the decision to shoot down the South Korean plane was taken at a local level. Has any of this surfaced during today's meeting with Mr. Gromyko and Mr. Shultz or has there been any news of this version?

[A.] Well, I'm not going to comment on a news report about another meeting. I just will say that we found that the Soviet Union is insensitive to the desires of the world to find out the true explanation and sought instead to claim as he did yesterday that this was a U.S. responsibility.

HUGHES. Go ahead, no, no, right next to you. No, the gentleman there. Go ahead.

Q. The Secretary's statement says that the United States will press hard along with others throughout the international community for justice. Now that you've had the chance to talk to other people here, what forms of pressure do you expect to take?

HUGHES. Well, we have purposely not talked specifically about these things because we are consulting with our friends about various steps that can be taken. And I don't think it's very useful now to say much in public about this although I can reiterate the kinds of things that the President of the United States said in his speech earlier this week.

Q. Do you think anything will actually develop at all?

[A.] I don't want to make a prediction on a question like that.

Q. I just wanted to ask about this question about where the decision to shoot down the airliner had been taken. Did you actually pose that question?

[A.] There were a number of questions posed to Gromyko and none of the answers, to the extent there were answers, were satisfactory.

Q. Are you not worried that by pushing this onto the schedule you may undermine or endanger the spirit of Madrid?

[A.] Well, it seems to me that as the Secretary of State pointed out that the spirit of Madrid is all about the relationship between security and human rights. What better example of steps that endanger the spirit of Madrid than a country that not only downs a defenseless airliner but then refuses to accept responsibility for that act and as such tells the world that it is prepared to do the same thing again.

Q. (Garbled)

[A.] We are going around in circles. I answered that question earlier.

HUGHES. We will take a couple more questions. We have one here in the aisle.

Q. Were the only subjects of conversation the airliner, disarmament and other human rights issues?

[A.] I think that's accurate.

HUGHES. . . .

Q. Can I try once more? I didn't mean to. If I offended you in asking my earlier questions, it's just that day after day here we keep—Gromyko escalates and Shultz responds and there is at least in my impression listening to this a much higher level of, you know, a higher pitch to this whole thing and Shultz was obviously very emotional when we spoke there today. How can all of that not have some effect on U.S.-Soviet relations? And what effect does it have? Because you all have been saying it doesn't affect the chances of INF or any of the specific arms control talks.

[A.] Well, the President has taken a very important decision which is, that it is in the interest of the United States, it is in the interest of the world to seek meaningful and verifiable arms control agreements. That said, this is an issue which cuts to the core of basic concerns about human rights and I think you are correct. The Secretary of State and the President feel very strongly about this question.

HUGHES. We will take one more here.

Q. You made Andrei Gromyko talk about something he doesn't want to talk about. You used the word "made"—the Secretary made him discuss the airliner.

What in fact did Mr. Gromyko proceed with?

[A.] He talked about the airliner. That's all I want to say.

HUGHES. Unless either . . . or . . . .

[A.] George Shultz is a pretty persuasive guy.

HUGHES. O.K. Thank you gentlemen.

Document 230

Statement Read by the Department of State Acting Spokesman (Romberg), September 8, 1983 [97]

Closing of Soviet Airline Aeroflot Airlines in the United States

As directed by the President, Acting Secretary of State Lawrence S. Eagleburger informed Soviet Ambassador Dobrynin today that the Soviet airline Aeroflot must close its offices in the United States by September 15 and that airline officials must depart this country by September 15. This is in response to the brutal and unprovoked Soviet shooting down of an unarmed Korean civilian airliner and the resulting loss of 269 lives.

In response to the brutal and unprovoked Soviet attack on Korean Air Lines flight 007 on September 1, 1983, the President has requested the Civil Aeronautics Board to take strong action against the Soviet airline Aeroflot. In a letter sent this morning to CAB Chairman Dan McKinnon, the President asked the Board to take the following action, effective September 12, 1983:

(1) to suspend the right of Aeroflot to sell tickets in the United States;

(2) to prohibit U.S. airlines from selling tickets in the United States for transportation on Aeroflot;

(3) to preclude U.S. airlines from carrying traffic to, from or within the United States where an Aeroflot flight is on the ticket;

(4) to direct U.S. airlines to suspend any interline service arrangements with Aeroflot; and

(5) to prohibit U.S. airlines from accepting any tickets issued by Aeroflot for air travel to, from or within the United States.

The President has also reaffirmed the suspension of Aeroflot flights to and from this country which has been in effect since January 5, 1982. The impending Board decision would prevent Aeroflot from marketing any of its services through U.S. carriers or their American agents.

The President requests all U.S. airlines and travel agents to comply with the letter and spirit of these actions.

The duration of these measures in the civil aviation area will be for a period of time, in part dependent upon the extent to which the Soviet Union demonstrates its willingness to honor essential standards of civil aviation, makes a full account of its shoot down of the airline, and issues an apology as well as compensation to aggrieved parties.

The United States will continue to work with the members of the international community in their efforts to promote air safety and to deter such Soviet actions from happening again.

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[97] Source: Department of State files. Romberg read the statement at a Department of State Press Briefing beginning at 5:15 p.m. Larry Speakes, Principal Deputy Press Secretary to the President, read the same statement to reporters at the White House that day at 5 p.m. For text of his statement, in which the first paragraph of the source text is the penultimate paragraph of his statement, see *Weekly Compilation of Presidential Documents*, September 12, 1983, p. 1211.

Document 231

Transcript of a Department of State Press Briefing, September 8, 1983 [98]

U.S. Sanctions Imposed Against Soviet Airline Aeroflot

MODERATOR. . . .We're now *on background.* Let me turn this over to three experts. They may all be referred to as senior administration officials or senior Department officials or senior CAB officials, as you wish, but that is the attribution.

Why don't you come on up and they'll take your questions, as appropriate, if you would just be patient so they can come to the mike. Let me also say that the subjects of the questions should be limited exclusively to these actions taken today and not sort of broader questions.

Q. Has this been announced at the White House?

MODERATOR. The White House has also made the statements available. [99] Yes.

Q. If a passenger with a foreign ticket turns up a—but it's got a partial Aeroflot stub on it—comes up, what then happens? Is he then transferred to a European carrier, or is he asked to buy another ticket? Doesn't this mean that the U.S. airliners are going to lose money in the process?

FIRST OFFICIAL. The first thing that I should stress is that the order that the Board has been requested to issue would not apply to foreign air carriers other than Aeroflot.

Q. But if I have a Lufthansa ticket, but I'm flying Pan Am, I have to go to a Pan Am desk to fly, but it's also got an Aeroflot stub, that ticket will not be affected?

FIRST OFFICIAL. If you bought a Lufthansa ticket—let's suppose that you flew from Munich to New York on Lufthansa on a ticket issued by Lufthansa that had on it a flight segment, New York to Chicago, on Pan American. Under the order the Board issues today, Pan American would not be permitted to honor that ticket.

The passenger could under those circumstances take that ticket to Lufthansa for a refund and could purchase a separate ticket.

MODERATOR. Okay. Next? (No response) We've stunned you with our brilliance.

SECOND OFFICIAL. Let me add one, I think, very, very general explanation here. The action which has been taken is directed against Aeroflot. It is not addressed to other foreign airlines.

It only applies where you have conduct that is not wholly outside of the United States. In other words, we are attempting very hard in this case not to have any so-called extraterritorial application of U.S. law or U.S. regulation.

That is a purpose here to achieve, in effect, parallel action from other nations around the world. In effect, we are addressing only those instances in which there is a contact with the United States.

Again, it does not address foreign carriers other than Aeroflot, either inside or outside of the United States. It does address, in effect, conduct which is not wholly outside of the United States.

Q. Could you tell us something about the expected impact of your decisions today?

MODERATOR. On whom?

Q. On the Soviet Union. On Aeroflot in its capacity to fly, its economic movement, its sales—

THIRD OFFICIAL. Aeroflot maintains in the United States two full-time offices: one in New York, one in Washington. Both will be shut down. The personnel who staff those offices will be required to leave one week from today.

The number of personnel involved is about three full-time permanent Aeroflot officials plus a number of other Soviets who work at Aeroflot, who are spouses or dependents of Soviet Embassy people or people here with other Soviet organizations.

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[98] Source: Department of State files. The briefing was conducted on background by three senior administration officials beginning at 5:25 p.m. Omitted here is preliminary discussion between the moderator and members of the press on a filing break for the statement *supra.*

[99] See footnote 97 above.

The total number of Soviets who will leave as a result of the shutdown and the order to depart will probably—I'm not exactly sure of the detail—but probably will be a little under 20.

Q. As far as movement of the planes, how much are they going to lose in revenues as a result of this?

FIRST OFFICIAL. Let me take a shot at that. We have made some effort to try to identify the impact, and I must say that it is quite difficult to come up with the precise estimate. But we do believe that the order, when implemented, will have a significant effect on Aeroflot revenue.

You must appreciate that the United States is the largest generator of air traffic in international air traffic in the world, and we believe that the effect of the Board's actions as requested by the President will be to divert significant traffic and thus hard currency revenues away from Aeroflot.

Aeroflot has always been a rather minor factor in the U.S. market, but the U.S. market and the travelers that it generates have been a more important source of revenue to Aeroflot. So we think the action will have economic impact.

Q. Can you give us some idea of those revenues that were being earned by Aeroflot in the United States?

FIRST OFFICIAL. We are still trying to get a good fix on that. I would prefer not to do it at this point because my staff tells me that the numbers are too loose to be quoted.

Q. Can we make the request that that question be taken and come back with an answer, please?

MODERATOR. We'll try, but it's very difficult at a briefing like this to take a question and come back in any timely way, but—

Q. In some time.

MODERATOR. At some point we'll try and do that.

Q. Does anybody have a feel for what contract holdings Aeroflot may have in this country such as maintenance, terminal space and that sort of thing that they may be giving up and will result in lost revenue to the municipalities?

FIRST OFFICIAL. Aeroflot has not served this country since January of 1982 when, as a result of the troubles in Poland, Aeroflot's right to fly to this country was suspended. Therefore, they have effectively not been serving this country in approximately a year and a half, so I think that they have—

Q. (Inaudible)

FIRST OFFICIAL. Yes. You may recall, they only served two points, in any event, New York and Washington.

Q. But could they sell tickets even if they couldn't fly?

MODERATOR. Previously.

FIRST OFFICIAL. Aeroflot had authority which expired in January of 1982 to sell tickets in the United States. There was some question as to whether Aeroflot might in fact have had authority to continue to sell tickets for transportation from Montreal to Moscow or to points in Russia.

In order to make sure that there was no doubt, the Board will, I am sure, clarify that and make it clear that they have no authority to sell anything in the United States.

Q. Two questions, please. The first is, is this likely to divert business currently held by American airlines—U.S. airlines to foreign flag carriers?

And the second is, was there consultation with allies? And the obvious followup to that is, do you expect parallel actions by allies?

THIRD OFFICIAL. We have been in consultation with not just the allies but also neutral and nonaligned countries around the world over the last week, and we have told them in these consultations that we were planning to take certain steps which would not have extraterritorial application to affect the operations of Aeroflot, the lingering relationship and operation here, and so on. So I don't think that these measures will come as a surprise to the allies.

As to the effect on American carriers, can you take that one?

FIRST OFFICIAL. We don't expect this to have a significant effect on American carrier revenues or costs. Again, we have

made a quick attempt to ascertain what the present level of doing business between the United States and the Soviet carrier is, and as nearly as we've been able to tell it appears to be a roughly even exchange of revenues from transportation provided over the lines of U.S. carriers and Aeroflot.

We think that the effect of our actions—the actions the President has requested—will be to divert those revenues that they currently get in conjunction with American airlines away from Aeroflot.

Q. What was Dobrynin's reaction to all of this, and did he say anything markedly different from the kind of presentation that Gromyko made to Shultz in Madrid?

THIRD OFFICIAL. First of all, we're not going to get into aspects other than the specific Aeroflot operations today. As to his reaction, I don't think it's appropriate to go into how he reacted to a private diplomatic exchange, but the note was presented to him and he accepted it.

Q. Do we have any idea how many U.S. air travelers went to Moscow or the Soviet Union last year? Can you tell by the visas or the tickets? Do you have any idea at all?

FIRST OFFICIAL. To the best of my recollection—and I would like to get back on this one, the numbers slipping my mind—I believe the number of travelers out of Montreal, in total, which included U.S. and Canadian citizens, was on the order of 20,000 last year.

But, if you would like, I will get back and get Alan the best numbers we have. I don't recall at this point.

Q. With only three full-time employees at these two offices, it suggests to me that Aeroflot wasn't doing any business in this country anyhow.

Do you have any figures on how many tickets are written on a monthly or an annual basis?

FIRST OFFICIAL. That is private commercial information. Aeroflot is not a party to any joint arrangements, clearinghouse arrangements, where we might be able to get that information. So, we have a very hard time getting a fix on that.

Q. Three employees—does that not suggest that their operation is minimal, at most?

FIRST OFFICIAL. Well, their operation—it is hard to dispute they are not flying. Their operation is minimal. It is hard to imagine a more minimal operation. But I think that the important thing to remember here is that no airline, even the largest U.S. airline, sells the majority of its tickets by itself. The vast majority of tickets that are sold in this country are sold by travel agents or by other U.S. airlines. And both travel agents and other U.S. airlines, as a result of the actions requested by the President will be precluded from selling transportation on Aeroflot.

Now, we point out that Aeroflot, although it no longer flies from the United States to Moscow, flies to many points in Europe, and Asia to Moscow. And in the past, travelers from the United States, ticketed by U.S. travel agents and U.S. airlines, have, in fact, used Aeroflot services. So, don't look at just the three, think about the 18,000 travel agents in this country and the 20 or 25 airlines who are selling tickets.

Q. It sounds from the way you have described it, in fact, from what you have just said, that who this is really going to hurt is the U.S. travel industry, and I am not trying to sound like the Chamber of Commerce on this. But suppose I wanted to fly from Irkutsk to Kiev, I think that my only choice is Aeroflot. If I can't buy a ticket here, I buy a ticket through the travel agent down the street to Montreal, and when I get to Montreal, I still buy the same ticket.

I mean, I am not sure from what you say how much U.S.—Americans—who buy Aeroflot tickets, to whatever extent the Aeroflot tickets they buy are for internal travel within the Soviet Union, certainly aren't going to hurt Aeroflot because they aren't going to lose the business. It is just going to require me to go to Montreal to buy the ticket.

FIRST OFFICIAL. First of all, we wouldn't want to prejudge what the Canadians are going to do, and perhaps the Canadians will consider some of the steps, in which case you would have to go a lot farther than Montreal to buy a ticket.

The second thing, though, is that I think it is important to remember that the precentage of its revenues that Aeroflot derives from U.S. travelers, who are ticketed by U.S. travel agents and airlines, we believe is significant. It is much more sig-

nificant than the percentage of service that Aeroflot can provide to the U.S. traveler. U.S. travelers, we think, will not be severely or seriously inconvenienced by what we are doing, but we believe the proportional impact on Aeroflot will be much greater.

Q. Let me put it, just to put a point on the question, what I mean to say, of the Aeroflot services that Americans buy, how much of that service, if you can tell us, is service which they will be able to get elsewhere, or as opposed to service which they can only get from Aeroflot, and they will therefore have to find a way to obtain?

FIRST OFFICIAL. That in part depends, in large part depends upon what other countries decide to do in response to our initiatives and approaches.

MODERATOR. I remind you, too, we had a travel advisory today, and I refer you back to that.

Q. I understand the Soviets have been permitted to fly, to land Aeroflot in Washington, and I suppose New York, to supply their Embassy here and the U.N. Mission in New York. Is that correct, and will they be allowed to continue doing that?

THIRD OFFICIAL. From time to time, the Soviets have made special flights into this country for cargo or to bring distinguished visitors, just as we have done the same thing into the Soviet Union. We have that under review.

Q. I am a little mixed up about one thing. Suppose I go over to the Air France ticket office here and ask them to book me from Paris—let's assume Aeroflot is flying from Paris—from Paris to Moscow on Aeroflot. Can they do it under this—?

FIRST OFFICIAL. Yes.

Q. This applies only to U.S. travel agents and U.S. airlines?

SECOND OFFICIAL. Let me again emphasize what the entire purpose here is. One, it is to take a strong United States action against Aeroflot. It is also not to impose upon other countries, or to profess to impose upon them, what we are doing for ourselves.

What we are trying to do is to encourage the rest of the world to adopt similar and parallel actions. If they do so, we will have effectively, around the world, stung a very strong blow against Aeroflot.

But we recognize it is going to take united action for this to be effective around the world. But as far as the United States goes, we have taken actions involving U.S. carriers and also other conduct that is either to, from, or within the United States.

It does require a U.S. contact, in effect.

The purpose is to encourage others to do the same.

Q. Have you spoken with any representatives of the travel industry about the impact of this?

FIRST OFFICIAL. We have a bit of a legal problem here, because the Board has now been requested by the President to issue an order that will accomplish, to do the things that . . . laid out in his initial presentation.

The Board will, I believe, very shortly, issue an order that may go out tonight, or at the latest tomorrow morning, which will give the affected parties 48 hours to comment—a little longer than 48 hours, until noon Monday—to comment on the proposed effect of the order.

As a result, through what may seem arcane legal procedures, we will be in a position of being precluded from speaking with parties that might be affected without violating conflict of interest regulations.

Q. Do you anticipate any kind of loud outcry? Have you analyzed this enough so that you don't expect travel agents, 18,000 of them, to be highly annoyed?

FIRST OFFICIAL. The CAB has had a lot of experience with travel agents, not all of it favorable, but I really believe on this one that we can expect very strong support from the travel industry, and I don't expect any outcry other than one saying it is the right thing to do.

MODERATOR. We'll take two more questions and then close it down.

Q. I am confused about the CAB order. Would that be effective immediately, or would it be effective at noon Monday,[1] or when would it be effective?

---

[1] September 12, 1983.

FIRST OFFICIAL. The order will be effective when the Board issues the final order. I would anticipate now that that order will be effective on Monday, probably, I would say, by close of business on Monday.

Q. Subject to comment in the meantime?

FIRST OFFICIAL. It will be subject to comment by interested people.

Q. Is it accurate to call it an order or as a proposed order, or what?

FIRST OFFICIAL. It can either be called a tentative order or a show-cause order.

Q. Did I understand you correctly to say that last year there were 20,000 U.S. citizens flying to the Soviet Union through Montreal?

FIRST OFFICIAL. No. I said I believe the total number of passengers flying on Aeroflot services from Montreal to Moscow was 20,000. The U.S. passengers on that would have been a smaller amount. I will have to get back to you with the best numbers we have. That is just a recollection, top of the head.

MODERATOR. Okay. Thank you all.

Document 232

Transcript of the Department of State Daily Press Briefing, September 9, 1983 (Extracts) [2]

U.S. Reaction to Statements by the Chief of the General Staff of the Soviet Armed Forces

. . . . . .

Q. Alan, could we turn briefly, please, to the plane? Regarding the statements of the Soviet Army Chief of Staff in Moscow today, again that the Korean jetliner was on a spy mission, it was a deliberately, thoroughly planned intelligence operation. [3]

Have you seen those remarks of the Chief of Staff, and do you have a response?

A. We've certainly gotten reports of it, Mike. Let me respond in this way. The Soviet event today clearly did not provide us and the rest of the world with answers to the questions we all have about Soviet actions in this case. The Soviet Union still owes the world answers and assurances that civil aviation will not be targeted in the future.

It is interesting to note what the Soviets did not do today. They offered no evidence to support their assertion that the plane was on a reconnaissance mission. They offered no evidence to support their claim that they attempted to identify or force down the KAL plane. They offered no answer when asked why Soviet authorities did not try to contact U.S. or Japanese authorities before firing on the aircraft.

I might also add that the plane's black box would provide data which would help clear up questions about the KAL flight's movements. Soviet refusal to allow us to search in their waters reduces the likelihood that the black box will be recovered and answers provided which could help clarify the situation.

. . . . . .

Q. The Soviet statement says that when the plane started to veer off course, it was still under the range of U.S. radar aids. Can you confirm that?

A. No. My information is that the Anchorage radar, which would control it when it first took off, followed it out—I forget how many miles; 200 miles, I guess—and that, as of the time it left the range of that radar, there was no indication that it was off-course. I'm not saying that it might not have diverted to a certain extent—I can't really tell you that; but

[2] Source: Office of Press Relations, Department of State. The briefing was conducted by Department of State Acting Spokesman Alan Romberg beginning at 12:15 p.m.

[3] Reference is to a press conference held in Moscow by N.V. Ogarkov, Chief of the General Staff of the Soviet Armed Forces, and other Soviet officials. For text of Ogarkov's statement at the press conference and the following question-and-answer session, see *Current Digest of the Soviet Press*, October 5, 1983, pp. 1–5.

anyway, there was no indication on the radar that Anchorage had that there was anything seriously wrong at that point. Then, it went out of radar range, as you know, and didn't go back into anybody's range until it got near Tokyo.

Q. If I may follow, Alan, they also mentioned 120 shots of tracers. Have you had any confirmation of this?

A. No; nor, as I said in the opening answers to the questions on the flight today, is there any evidence that the Soviets have presented other than an assertion that they did that. And I think I would refer you back to the transcript of the Soviet pilots,[4] which certainly did not indicate any such activity.

Q. Alan, do you know about the encripted information that is in the possession of the United States that proves conclusively that the Soviets knew they were shooting at a civilian airliner?

A. John, I think we've addressed this before, and I don't have anything new to add to this. I'm not going to get into the question of any more intelligence information than we have already provided. The fact of the matter is that the Soviet aircraft which shot down that plane, if it didn't know, it sure should have known that it was a civilian aircraft. It was close enough; it had an obligation to get close enough; it had an obligation to do an awful lot of things that it did not do.

We pointed, in Acting Secretary Eagleburger's remarks the other day,[5] to questions of competence which are raised by this whole Soviet explanation of what went on.

Q. My question is, leaving encription aside, do we know that the Soviets knew they were shooting at a civilian airliner?

A. I'm going to stand on the answers I've just given you.

. . . . . .

[4] See *infra*.

[5] See document 226.

Document 233

Statement Issued by the Department of State, September 11, 1983 [6]

Further Review Findings of the Tape of the Soviet Fighter Pilots

As part of the policy of the U.S. Government to develop full information on the tragic shootdown of KAL 007 by Soviet forces on August 31, U.S. Government experts have continued to review the poor quality transmission on the tape which was played at the UN Security Council September 6. That review has now been completed.[7] After efforts at electronic enhancement and hundreds of replays of the tape, U.S. Government linguists were able to interpret three passages more clearly as indicated below.

The first segment at 1819:08 which originally was translated "I have enough time," now is translated as "they do not see me." The second segment was a previously unintelligible phrase at 1820:49, which has now been translated as "I am firing cannon bursts." Because of the Soviet pilot's reference at 1828:05 to launching "both" rockets, the linguists also rechecked the reference at 1823:37 which was previously translated as "rocket." They were able to clarify that the plural was used; thus the translation should be " . . . . now I will try rockets."

The transcript does not indicate whether the cannon shots were aimed at the KAL plane or were tracer rounds. We do note that, according to information made available by the Government of Japan to the United Nations, KAL 007, in its routine radio transmission to Tokyo at 1823 [8]

[6] Source: Department of State files; also printed in Department of State *Bulletin*, October 1983, p. 14.

[7] The corrected transcript was released along with this statement to the press. A portion of the corrected transcript was printed in the *Washington Post*, September 12, 1983, p. A8.

[8] "18:23 GMT (3:23 JST)—KE-007: Tokyo Radio Korean Air 007 level 350 (Altitude 35,000 feet). RJAA: Korean Air 007 Tokyo Roger." From the September 7, 1983 statement by the Director-General of the Public Information and Cultural Affairs Bureau of the Ministry of Foreign Affairs of Japan. [Footnote in the source text.]

(over 2 minutes after the cannons were fired) gave no indication it was aware of Soviet aircraft in the vicinity or that cannon had been fired. The evidence indicates that the pilot was totally unaware of the fact that he was off course, that he was intercepted by Soviet fighters, or that any warnings—visual, radio, gunfire—were given.

This additional analysis of the tapes reinforces our belief that the totality of the events remains exactly as stated by the United States and Japan. The Korean airliner was not aware of the Soviet fighters, nor was it aware that any warning was given. The Soviets consciously made the decision to shoot down the aircraft. The fact is that it was an unarmed, civilian airliner, and it cost the lives of 269 innocent people.

Document 234

Note From the United States Government to the Soviet Government, September 12, 1983 [9]

U.S. Demand For Compensation for the Lives of U.S. Nationals Aboard KAL Flight 007

The United States refers to the Soviet Union's action of September 1, 1983 in firing upon and destroying an unarmed civil airliner, Korean Air Lines Flight No. 007, in the vicinity of Sakhalin Island, thereby causing the deaths of 269 innocent persons. The United States considers this action as a flagrant and unjustifiable breach of applicable principles of international law and as a direct violation of internationally agreed procedures to be followed when an aircraft inadvertently intrudes on a state's territorial airspace. The United States submits that the Soviet Union's action was wrongful and gives rise to responsibility under international law to make reparation.

The United States Government therefore demands that the Soviet Union provide prompt, adequate, and effective compensation to the United States Government for the lives of United States nationals aboard Korean Air Lines Flight No. 007 and for any other compensable loss incurred by any United States national as a result of the Soviet Union's wrongful actions. The United States will advise the Soviet Union at a later date of the specific losses for which the United States considers the Soviet Union responsible under international law.

This demand is in addition to any other form of redress that the United States may lawfully require from the Soviet Union for its action in firing upon and destroying Korean Air Lines Flight No. 007.

Document 235

Transcript of the Department of State Daily Press Briefing, September 12, 1983 (Extract) [10]

Release of FAA Transcripts and Tapes of Communications Between KAL 007 and FAA Traffic Control in Anchorage; U.S. Demand For Compensation From the Soviet Union

. . . . . .

Third, to let you know that the FAA is releasing today the transcripts and tapes of communications between the flight crew of KAL 007 and the FAA traffic control tower, or facilities at Anchorage. As I understand it, those—well—

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[9] Source: Department of State files; printed also in Department of State *Bulletin*, October 1983, p. 15. Regarding the U.S. attempted presentation of this diplomatic note and the refusal by the Soviet Embassy's Deputy Chief of Mission to accept it, see *infra*.

[10] Source: Office of Press Relations, Department of State. The briefing was conducted by Department of State Acting Spokesman Alan Romberg beginning at 12:40 p.m.

Let me just go on with the announcement. These tapes and transcripts indicate that no one was aware that KAL flight 007 was off course. Since the communications cover a period of several hours, both the transcripts and the tapes have been compressed by eliminating all material that doesn't relate in any way to the flight of KAL 007, and anyone who wants to listen to the full tapes can make arrangements with FAA. I suggest you set aside quite a bit of time if you're interested in doing that.

Q. Alan—

A. Let me go on and finish what I am doing. As I said, the tapes do indicate that the KAL pilot was not aware of any problem in maintaining course. He followed all of his required position reports in U.S.-controlled air space. However, the FAA only has radar coverage for approximately 165 miles from Anchorage, so there normally is no effective way for the agency to check these position reports for accuracy, and it was impossible to tell from these tapes the pilot-controller communication where KAL 007 began to deviate from its assigned route.

One thing I should note. The tapes show that KAL 007 was relaying its position reports after it left the mainland through another Korean airliner in the general vicinity. The chief of FAA control center in Anchorage says, "It is not unusual for an aircraft to relay information through another aircraft. In itself, this relay would not alert a controller that an abnormal situation exists."

For your convenience, we have copies of the transcript available in the Press Office for you after the briefing.

Q. Are the tapes here—

A. No, we do not have the tapes here. You have to go to the FAA for that.

And, finally, an announcement—make sure it's finally—about a note presented to the Soviets this morning.[11] At 10:30 a.m. today, Acting Assistant Secretary of State for European Affairs John H. Kelly presented the Soviet Embassy's Deputy Chief of Mission, Sakoloff, with a diplomatic note demanding compensation from the Soviet Union for the lives of U.S. nationals aboard Korean Airlines flight 007.

The note indicated that the United States considers the Soviet Union's destruction of that aircraft as a "flagrant and unjustifiable breach of applicable principles of international law" and as a "direct violation of internationally-agreed procedures to be followed when an aircraft inadvertently intrudes on a state's territorial airspace."

The note further characterized the Soviet Union's action as wrongful and as giving rise to "responsibility under international law to make reparation." The United States' diplomatic note did not specify an amount of compensation but indicated that the United States will supplement its claim with specifics at a later date.

Soviet DCM Sakoloff refused to accept the note. Acting Assistant Secretary Kelly refused to accept Mr. Sakoloff's rejection of the U.S. note. (Laughter) At the same time the U.S. note was presented to DCM Sakoloff, Mr. Kelly presented a similar diplomatic note on behalf of the Government of the Republic of Korea demanding compensation for its losses as well.[12] DCM Sakoloff also rejected that note.

We shall continue to press the Soviets to meet their clear obligation under international law to pay compensation to both the United States and Korea.

We will also make available to you the text of both of those notes in the Press Office. That is it for announcements.

Q. What happens next? Does the United States take it to the International Court of Justice or try to get the Soviets to accept it or what?

A. I think we are going to be presenting that note again; sending it over to them. In terms of what one could do with the International Court of Justice, specifically, or even in general in an international fora, we're carefully considering every possible avenue by which we might press the claim.

As far as the Court of Justice is concerned, the ICJ has jurisdiction over

[11] The following portion of Romberg's announcements is printed also in Department of State *Bulletin*, October 1983, p. 14. The text of the U.S. note is *supra*.

[12] For text of the U.S. diplomatic note presented on behalf of the Republic of Korea, September 12, 1983, see Department of State *Bulletin*, October 1983, p. 15.

claims between states only to the extent that the states accept its jurisdiction. The Soviet Union has not accepted the Court's general jurisdiction. Nevertheless, as I say, I can assure you that we will be carefully monitoring all of our options.

Q. What is the status of the note, since we didn't accept their refusal to accept it? Do they have the note or what? What does that mean in real terms?

A. We will re-present that note.

Q. In other words, they have not taken it physically?

A. They did not physically take it this morning.

Q. (Inaudible).

A. I'm not going to go into the details of what the exact next step will be in terms of presenting it, but we will continue to press this issue.

Q. In other words, you just resubmit it to them?

A. I think I'll leave you with what I just said about it. We'll re-present the note.

Q. Was it read in toto to Sakoloff?

A. Was the note read in toto to Sakoloff? It was.

Q. How long was it, please?

A. You'll get the copy of the note.

Q. The note is in our possession, then?

A. Yes, that's correct.

Q. Alan, a technical point. Do we represent South Korea in diplomatic relations with the Soviet Union on all issues?

A. No, we don't represent the—

Q. Who is their representative?

A. I don't know. You would have to check with the Koreans.

Q. Has Canada and other nationals presented to the Russians similar demands?

A. The short answer to the question is, there have been others. Based on information we now have, it would appear that passengers from the following places were aboard the aircraft: Korea, Japan, Taiwan, Hong Kong, the Philippines, Australia, Malaysia, India, Thailand, Canada, Great Britain, and Sweden.

In addition to Korea, for which as I had mentioned, we presented a claim at the same time as our own, several other countries already have presented claims. Thailand and the Philippines did so almost immediately. Canada presented a claim on Friday to the Soviets. We expect several others to do so this week.

I would note, too, that a great many other countries that do not have claims of their own have called on the Soviet Union in the U.N. and elsewhere to fulfill its international legal obligation to compensate the families of the victims.

Q. How many countries were there, please, Alan (inaudible)?

A. I think it's 13. Twelve plus the United States is thirteen.

Q. Can we get a copy of that?

A. I identify 13—no, I think I'm going to refer you to the record instead of presenting all these Q's and A's.

Q. Were the other claims refused as well?

A. You'll have to check with the other governments as to what happened with their claims.

. . . . . .

Document 236

Revised U.N. Security Council Draft Resolution, September 12, 1983 [13]

Condemnation of the Soviet Union's Destruction of the South Korean Airliner

The Security Council,

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[13] Source: U.N. document S/15966/Rev.1., printed in Department of State *Bulletin*, October 1983, p. 15. The vote on the resolution was 9 in

Continued

Having considered the letters dated 1 September 1983 from the Acting Permanent Representative of the United States of America (S/15947), the Permanent Observer of the Republic of Korea (S/15948), the Chargé d'Affaires of the Permanent Mission of Canada (S/15949) and the Permanent Representative of Japan (S/15950), and the letter dated 2 September 1983 from the Acting Permanent Representative of Australia (S/15951),

Gravely disturbed that a civil air liner of the Korean Airlines on an international flight was shot down by Soviet military aircraft, with the loss of all 269 people on board,

Expressing its sincere condolences to the families of the victims of the incident, and *urging* all parties concerned, as a humanitarian gesture, to assist them in dealing with the consequences of this tragedy,

Reaffirming the rules of international law that prohibit acts of violence which pose a threat to the safety of international civil aviation,

Recognizing the importance of the principle of territorial integrity as well as the necessity that only internationally agreed procedures should be used in response to intrusions into the airspace of a State,

Stressing the need for a full and adequate explanation of the facts of the incident based upon impartial investigation,

Recognizing the right under international law to appropriate compensation,

1. *Deeply deplores* the destruction of the Korean air liner and the tragic loss of civilian life therein;

2. *Declares* that such use of armed force against international civil aviation is incompatible with the norms governing international behaviour and elementary considerations of humanity;

3. *Urges* all States to comply with the aims and objectives of the Chicago Convention on International Civil Aviation;

4. *Welcomes* the decision to convene an urgent meeting of the Council of the International Civil Aviation Organization to consider the Korean air liner incident;

5. *Urges* all States to co-operate fully with the International Civil Aviation Organization in efforts to strengthen the safety of international civil aviation and to prevent any recurrence of such use of armed force against international civil aviation;

6. *Invites* the Secretary-General, making use of such expert advice as he deems necessary and in consultation with appropriate international bodies, to conduct a full investigation into the circumstances of the tragedy;

7. *Further invites* the Secretary-General to report his findings to the Security Council within 14 days;

8. *Calls upon* all States to lend their fullest co-operation to the Secretary-General in order to facilitate his investigation pursuant to the present resolution;

9. *Decides* to remain seized of the issue.

favor (France, Jordan, Malta, Netherlands, Pakistan, Togo, United Kingdom, United States, and Zaire), 2 against (Soviet Union and Poland), with 4 abstentions (China, Guyana, Nicaragua, and Zimbabwe); but because the Soviet Union, a permament member of the Security Council, cast a veto, the resolution was rejected.

Document 237

Statement by the Representative at the United Nations (Kirkpatrick) in the U.N. Security Council, September 12, 1983 [14]

"The Soviet Union Has Demonstrated an Attitude That Is As Contemptuous of the Truth As It Is Callous Toward Human Life—an Attitude Underscored by Its Veto of the Resolution Before Us Today"

Mr. President, the issue that we have been discussing now for more than a week

[14] Source: U.S. Mission to the United Nations Press Release USUN 71-(83), September 12, 1983; printed also in Department of State *Bulletin*, October 1983, pp. 15–17. All emphases are in the source text.

bears directly on the ability of all of us working together, working singly to secure and preserve peace in this world. It bears also on the readiness of members states to take responsibility for achieving a civilized and peaceful international order.

Destruction of the civilian airliner, KAL 007, was a deeply shocking act. But even more disturbing than the deed itself has been the behavior of the Soviet Government in the days since it shot down that plane. Had the Soviet Government taken responsibility for the action, admitted that a terrible mistake had been made, offered compensation to the families for the loss of life, and in cooperation with other states, undertaken a review of the incident to ensure that such a tragedy would not recur, then the consequences of the event would have been contained and, to the degree possible, minimized. Nothing, to be sure, could reclaim the lives of 269 people. But relations among nations would not have suffered, and civilian air travel might have been rendered less vulnerable to such errors in the future.

But as we all know, the response of the Soviet Government has been quite different. Instead of admitting error, it has insisted that no error was made. Instead of taking responsibility for the act, it has lashed out with groundless accusations. Instead of taking steps to ensure against a repetition of such an incident, it has emphasized that it would do the same thing all over again.

By taking this position the Soviet Union has magnified the negative consequences of a tragic incident and has damaged anew the already tattered fabric of international relations. It has further poisoned the international atmosphere. For this, as for the incident itself, the Soviet Union must bear heavy responsibility.

During the past 10 days, the Soviet Union has taken a position at once inconsistent and contradictory. It has been self-justifying and self-defeating in its statements. In its determined defense of an indefensible act, the Soviet Union has demonstrated an attitude that is as contemptuous of the truth as it is callous toward human life—an attitude underscored by its veto of the resolution before us today. [15]

For nearly a week, the Soviet Union refused to admit it shot down flight 007. Then it admitted to having fired warning shots. Only after the public disclosure of the tape recordings in which the Soviet pilot told Soviet ground control that he had executed the order to destroy "the target," did the Soviet Government announce that one of its pilots had, in fact, "stopped the flight," as they euphemistically put it.

In the ensuing days we have heard a tangle of charges from the Soviet Union. On the one hand, it has been said that flight 007 was itself on a spy mission and therefore *invited* destruction. But it has also been said that the presence, earlier in the evening, of an RC 135 reconnaissance plane, which had landed more than 1,500 miles away from the location of the incident, "caused" the Soviet pilot to mistake the two aircrafts, thus acknowledging tacitly that the Korean 747 was not on a spy mission after all.

Not surprisingly, the testimony of the Soviet pilot who shot down KAL 007 corroborates the official Soviet version of events. The Korean pilot is dead and cannot refute this testimony. But it is interesting and significant, I believe, to note in this context the testimony given to the *New York Times* by Kim Chang Kyu, the pilot of the Korean Airlines plane that strayed over Soviet airspace in 1978, thus becoming the target of a Soviet missile that sheared off nearly 15 feet of the plane's left wing and killed two of the plane's passengers. [16] The pilot was able to regain control of the plane and was able to make an emergency landing on a frozen lake 400 miles northeast of Leningrad.

"After I was shot down," the pilot recounts, "the Russians made the same claims we're hearing now. They said, 'We tracked you for more than 2 hours, flew around the plane, fired tracers in front of you'—all that. It all sounds exactly the same this time."

Mr. Kim gives a different version of what actually happened. He tells us he saw the plane only once, off to the right and somewhat behind him. He thought this was strange, since international guidelines call for intercepting fighters to fly to the

[15] *Supra.*

[16] See *New York Times*, September 9, 1983, p. A11.

left of the plane, where the pilot sits. When Mr. Kim's co-pilot, who had a clearer view of the plane, reported that it bore the red Soviet star, Mr. Kim immediately slowed his speed and turned his landing lights off and on repeatedly, the recognized international signal that an aircraft will follow the interceptor's directions. In addition, Mr. Kim tried to establish contact with the Soviet craft, but the two planes' radios were on different frequencies. In any event, the next thing Mr. Kim knew a missile fired by the Soviet pilot had torn off a good part of his plane's left wing.

In light of this previous incident, and in view of the established fact that the pilot of KAL 007 made no radio transmissions indicating that he had been intercepted, one can only conclude that there was no communication with the pilot of KAL 007 in accordance with normal procedures and on normal emergency frequencies.

The fact that the tapes now show that the Soviet pilot fired "cannon bursts" 6 minutes before he destroyed KAL 007 does not alter this conclusion. Clearly the Korean pilot was not aware of the Soviet fighters, nor was he aware that any warning was given. If there were shots fired 6 minutes in advance of the fatal shot, it, therefore, seems likely that they were not tracers but regular, normal cannon rounds which are *not* visible.

Even assuming for the sake of argument that the Soviet pilot had tried to establish communication with the pilot of KAL 007, but for some reason that we do not know had failed to get through, *this would not justify shooting down a 747 civilian airliner.*

Mr. President, what conceivable harm could the plane have done, especially since it was within 60 seconds of leaving Soviet airspace, a fact that renders absurd the statement by one of the Soviet pilots that the 747 might have been carrying "a bomb that might have fallen, maybe on my house"—presumably located in the Sea of Japan.

Let us recall for a moment the incident almost 2 years ago when a Soviet W-class submarine penetrated deep into restricted Swedish waters near Karlskrona naval base and ran aground there. In response to the protest of the Swedish Government, the Soviet Government said: "It was expected, of course, that the Swedish authorities would abide by existing international norms under which if a foreign warship does not even observe the rules of a coastal state regarding passage through its territorial waters, the only thing the coastal state may do with respect to the given warship is to demand that it leave its territorial waters."

According to this unique interpretation of international law, if a Soviet warship—a *war*ship mind you—invades the territorial waters of another state, that state cannot even detain the warship but must simply escort it out of its territorial waters. But if a civilian airliner with 269 people aboard happens to stray into Soviet airspace, the Soviet Union is justified in shooting it down, even as it is about to exit that airspace. Mr. Leonid M. Zamyatin, the spokesman on the Central Committee for General Secretary Yuri Andropov, went so far as to say that Soviet air defense forces were "humane" to have waited so long before destroying KAL 007. How callous it is to talk about "humaneness" with regard to a ruthless act that resulted in 269 deaths. Is a Soviet warship entitled to more "humane" treatment than a civilian airplane?

The Soviet leadership refuses to concede the possibility that a civilian airliner, traveling a scheduled flight, with 269 people aboard, might have strayed accidentally into its airspace—despite the fact that there have been 21 recorded incidents where civilian planes with similar navigational equipment have strayed off course. Here, too, the incident of the Soviet W-class submarine offers an interesting analogy. In its statement to the Government of Sweden, the Soviet Government rejected the Swedish charge that this warship was engaged in "carrying out impermissible activities," namely, spying. According to the Soviet statement, the submarine "went off course as a result of the failure of its navigational instruments and resultant mistakes in position finding" and therefore "entered unintentionally the territorial waters of Sweden . . . ."[17] The Soviet side, taking into consideration the breakdown character of the incident, could rightfully expect at least a manifestation of correct attitude and objective appraisal of what happened." Instead, it charged the Swedish Government with "distorting facts" and it flatly rejected the Swedish demand "to prevent the recurrence of such a gross violation," saying—

[17] All ellipses are in the source text.

and I quote—"In this concrete case this sounds like a demand to rule out the very possibility of breakdown situations occurring at sea. This demand," said the Soviet Union, "is simply out of tune with common sense."

Yet the Soviet Union finds it is inconceivable that such a "breakdown situation," to use their term, might have occurred in the case of the civilian airliner, KAL 007.

Now we come to the final Soviet argument—its ultimate line of defense. It was stated in explicit terms last week by Soviet Foreign Minister Andrei Gromyko: "We state," he said: "Soviet territory, the borders of the Soviet Union are sacred." It is on the basis of this principle that the top Soviet leadership has defended, and by so doing, has assumed responsibility for, the destruction of a civilian airliner.

In this context, we would like to ask the Soviet Union: Are the borders of the Soviet Union more sacred than, say, the borders of Sweden, not to speak of the borders of Afghanistan? Are they more sacred than the airspace of the United States, which has frequently been violated by Soviet planes flying off-route over sensitive military facilities, though these planes have not as a result of such violations been shot down? And how, may we ask, can the Soviet Union reconcile this remarkable doctrine of absolute Soviet sovereignty, according to which the Soviet Union is within its rights to shoot down a civilian airliner that strays across its sacred borders, with its doctrine of "limited sovereignty," which was propounded 15 years ago in relationship to the Soviet invasion of Czechoslovakia?

In the article in *Pravda* (September 26, 1968) where this doctrine of "limited sovereignty" was propounded, the Soviet Union not only claimed the right to invade any Soviet bloc country that threatened to deviate from the path of fealty to Moscow; it also claimed the right to intervene in the internal affairs of states that are not part of the Soviet bloc.

This same article explains how the Soviet Union reconciles the doctrine of absolute Soviet sovereignty with the doctrine of "limited sovereignty" for everyone else, as well as with the norms of international law. Accordingly, it states that "Laws and the norms of law are subordinated to the laws of the class struggle and the laws of social development . . . . The class approach to the matter cannot be discarded in the name of legalistic considerations. Whoever does so forfeits the only correct, class-oriented criterion for evaluating legal norms and begins to measure events with the yardsticks of bourgeois law."

In other words, there are two forms of law—"bourgeois law," which includes the Charter of the United Nations, and "the laws of the class struggle," and there is no question that in the Soviet view, the former are conditioned by and subordinate to the latter. This dual conception of international law accords to the Soviet Union absolute rights but no obligation to respect the rights of others, while it accords to all other states no rights but absolute obligations to respect the rights of the Soviet Union.

The destruction of KAL 007, and especially the manner in which the Soviet Union has defended that action, have illuminated as few events in recent years the nature of the predicament that faces us all.

Mr. President, I would like to quote from a letter written by a Soviet citizen who is surely one of the outstanding and most courageous persons of our age. I am referring to Dr. Andrei Sakharov whose letter was secretly transmitted to the outside world from within the Soviet Union where he has been internally exiled. In his letter from exile, Dr. Sakharov warns that "the world is facing very difficult times and cruel cataclysms if the West and the developing countries trying to find their place in the world do not now show the required firmness, unity and consistency in resisting the totalitarian challenge. This relates to governments, to the intelligentsia, businessmen, and to all people. It is important that the common danger be fully understood—everything else will then fall into place."

If the destruction of KAL 007 helps us to understand the nature of the world in which we live and the dangers to our rights and laws therein, helps us to show the necessary clarity and firmness in defending precisely the principles of international law contained in the Charter of the United Nations—then perhaps the 269 people aboard that ill-fated airliner will not have died in vain.

In closing, Mr. President, I should like to say that there is one question which above all confronts this Council and the world in this debate, which is responded to by the resolution we have adopted, in spite of its veto. Does a nation which is not at war have the right to shoot down planes that enter their air space without authorization—that is the question with which we have been confronted. The answer to that question must be no. We do *not* believe that the protection of sovereignty of any nation gives that nation an absolute right in peace time to shoot down any plane flying any place over its territory. There are internationally agreed on procedures to take care of such problems. We believe that this view has been endorsed by a majority of this Council in the resolution we have considered this afternoon.

We stand ready to work with our colleagues to ensure greater safety for all passengers and pilots, indeed, for all people. Thank you very much, Mr. President.

Document 238

Resolution Adopted by the Council of the International Civil Aviation Organization, Montreal, September 16, 1983 [18]

Endorsement of a Full Investigation of the KAL Incident and the Need For Improvement of Procedures Relating to the Interception of Civil Aircraft

The Council

Having considered the fact that a Korean Air Lines civil aircraft was destroyed on September 1, 1983, by Soviet military aircraft,

Expressing its deepest sympathy with the families bereaved in this tragic incident,

Urging the Soviet Union to assist the bereaved families to visit the site of the incident and to return the bodies of the victims and their belongings promptly,

Deeply deploring the destruction of an aircraft in commercial international service resulting in the loss of 269 innocent lives,

Recognizing that such use of armed force against international civil aviation is incompatible with the norms governing international behavior and elementary considerations of humanity and with the rules, standards and recommended practices enshrined in the Chicago Convention and its annexes and invokes generally recognized legal consequences,

Reaffirming the principle that States, when intercepting civil aircraft, should not use weapons against them,

Concerned that the Soviet Union has not so far acknowledged the paramount importance of the safety and lives of passengers and crew when dealing with civil aircraft intercepted in or near its territorial airspace,

Emphasizing that this action constitutes a grave threat to the safety of international civil aviation which makes clear the urgency of undertaking an immediate and full investigation of the said action and the need for further improvement of procedures relating to the interception of civil aircraft, with a view to ensuring that such a tragic incident does not recur,

(1) Directs the Secretary-General to institute an investigation to determine the facts and technical aspects relating to the flight and destruction of the aircraft and to provide an interim report to the Council within 30 days of the adoption of this resolution and a complete report during the 110th session of the Council, [19]

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[18] Source: Department of State *Bulletin*, October 1983, p. 20. The resolution was adopted by a vote of 26 in favor (Argentina, Australia, Brazil, Cameroon, Canada, Colombia, Denmark, Egypt, El Salvador, France, Federal Republic of Germany, Indonesia, Italy, Jamaica, Japan, Madagascar, Mexico, Netherlands, Nigeria, Pakistan, Senegal, Spain, Uganda, United Kingdom, United States, and Venezuela), 2 against (Czechoslovakia and Soviet Union), with 3 abstentions (Algeria, China, and India), and 2 absent (Iraq and Lebanon).

[19] The report of the ICAO factfinding investigation, entitled "Destruction of Korean Air Lines Boeing 747 Over Sea of Japan, 31 August 1983," was completed in December 1983.

(2) Urges all parties to co-operate fully in the investigation,

(3) Further directs the Secretary-General to urgently report to the Council on the status of adherence to, and implementation of, the provisions of the Chicago Convention, its annexes and other related documents as they bear upon this incident,

(4) Directs the Air Navigation Commission urgently,

(a) To review the provisions of the Convention, its annexes and other related documents and consider possible amendments to prevent a recurrence of such a tragic incident;

(b) To examine ways to improve the coordination of communication systems between military and civil aircraft and air traffic control services and to improve procedures in cases involving the identification and interception of civil aircraft:

(5) Instructs the President of the Council to report this decision to the 24th session of the Assembly of the Organization for the Assembly to take the appropriate action.

Document 239

Transcript of the Department of State Daily Press Briefing, September 16, 1983 (Extracts) [20]

Second U.S. Note Demanding Compensation From the Soviet Union; U.S. Response to Refusal by New York and New Jersey To Grant Landing Rights to Soviet Plane

. . . . . .

This morning Assistant Secretary for European Affairs Richard Burt called in Soviet Minister Sokolov and presented him with a second diplomatic note demanding that the Soviet Union accept diplomatic notes which the United States has attempted to present the Soviets on its behalf—that's the United States—and on behalf of the Republic of Korea. [21]

These notes demand compensation from the Soviet Union for the lives and property of United States and Korean nationals lost as a result of the wrongful shooting down of Korean Airlines flight 007 on September 1. The presentation of claims of this nature by one state against another through diplomatic communications and the consequent payment of appropriately substantiated claims is an established international practice with hundreds of precedents going back several centuries.

After this briefing we will be happy to make the text of the notes available, but briefly the note presented this morning reiterated the U.S. position that the Soviet Union's actions in firing upon and destroying the airliner were wrongful under international law and require compensation. The note also reiterated the similar position of the Republic of Korea.

Today's note said that the United States would regard a second Soviet refusal to accept the previous diplomatic notes as an additional delict or violation which would give rise to a right to additional redress under international law. So we'll make those—

Q. Did he accept it?

A. He did not accept the note formally on this occasion, but the note has since been delivered to the Soviet Embassy.

Q. Was it accepted there?

A. It has not, as of 12:36, been returned to us.

Q. I lost you there.

Q. What does it mean, John, when he doesn't accept it? Does he throw it back at

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[20] Source: Office of Press Relations, Department of State. The briefing was conducted by Department of State Spokesman John Hughes beginning at 12:32 p.m.

[21] For text of the first U.S. diplomatic note, see document 234. Regarding the U.S. note presented in behalf of the Republic of Korea, see footnote 12 above. For text of the second U.S. diplomatic note, September 16, 1983, see Department of State *Bulletin*, October 1983, p. 21.

you? Does he refuse to take the thing in his hands, to—

A. I guess he refused to accept it formally during the meeting, and so we sent it around physically.

Q. Did he read it out to him during the meeting?

A. It was presented and handed. It was left at the Soviet Embassy. It has not so far been returned.

Q. Could I just follow on my question? What happened during the meeting with Burt? Did Burt read him the thing and then try to give it to him, and he said, "I'm not going to accept it?"

A. I wasn't at the meeting, but I think that that's a fair, I think, scenario.

Q. Are you talking about the second note?

A. I'm talking about a second note today.

Q. Did he accept that second note?

A. No. He did not.

Q. Does the second note differ in any substantial manner from the first one of a few days ago?

A. I think it makes the point that continued refusal to accept these notes would open the way to international legal action.

Q. Otherwise it repeats the other part of it?

A. It repeats the substance of the other. We'll give you these notes. But you can have—

Q. Was the note left at the Embassy left inside the Chancery or outside the Chancery?

A. I don't know how it was delivered physically.

Q. Can you find out about the mechanism on that, John?

A. No. I think we'll just assure you that it was delivered, and it has not so far been returned.

Q. Could you tell who took it? At what level?

A. No, I can't.

Q. Could you discuss additional international redress? What do you have in mind?

A. That's something we're looking at. I don't have anything for you in detail.

Q. What are available?

A. There is the International Court of Justice.

Q. They don't recognize its jurisdiction.

A. We're looking at what—

Q. Was it one note that was read today, or two? You're a little blurred—

A. It was a second note referring to the two previous notes, one presented by ourselves on behalf of the Government of Korea and one in our own right, which they had earlier refused to accept.

Q. John, can you say what his response is in not accepting the note? Did he say anything at all? Did he give any explanation?

A. No. I don't know what he said.

Q. John, the other day Alan said that the notes had been forwarded—the first notes had been forwarded to the Soviet Embassy.

A. That's correct.

Q. Were they returned on that occasion?

A. They have not, to my knowledge, so far been returned.

Q. John, did—

A. You need to be careful about the difference here between physical delivery of notes and formal diplomatic acceptance of notes.

Q. John, there's a conflict here. Yesterday, on background, an American official said that the note had not been—this is the first note—had not been delivered to the Embassy.

A. You need to be careful about the distinction between physical delivery and official diplomatic acceptance. It is one thing to put something in the mail or hand it in at an Embassy. It is another thing to formally present it to a diplomat and have it accepted.

Q. John, can we infer from what you're saying now that continued refusal to accept these notes by the Soviet Union could conceivably jeopardize our diplomatic relationship?

A. No. I don't think we said that. I think what this language suggests is that continued refusal to accept these notes opens the way to further international legal action.

. . . . . .

Q. Did the matter of the Governors of New York and New Jersey refusing landing rights to the Gromyko plane come up during this meeting with Sokolov? [22]

A. I do not know whether that specifically came up at this meeting, Jim, but I'm aware of the situation in which you're—

Q. What is the situation?

A. I think the facts are that Mr. Gromyko will not arrive on an Aeroflot plane, and we are looking at the manner in which he might arrive. That, of course, is a U.N. representation which we accept. We're not going to bar people from attending the United Nations, so we have no problem with Mr. Gromyko coming.

Q. Have the Soviets told you he is not coming on an Aeroflot—

A. No, no. We're saying that he will not come—

Q. You're not going to allow him to land anywhere?

A. Let me see if I can give you a little more specific language on that. He will not be coming on a civilian Aeroflot aircraft. The Department of State has approved Soviet requests for a special flight to bring Mr. Gromyko and the Soviet delegation to New York to participate in the U.N. General Assembly session, but the Soviets have been informed—and I'm not sure whether that was at this morning's meeting or not—by Assistant Secretary Burt that they will have to use noncivilian aircraft, and that plane will not land at a U.S. commercial airport.

Q. Noncivilian means military?

A. In my book it does. Yes.

Q. Wait. Can I distinguish on this? He usually comes in a plane that carries the Aeroflot designation, but it's clearly a government plane. Does that meet your requirements, or does it have to have "Aeroflot" not on the—

A. I can't get into the details, but he will not land at a commercial airport, and I presume that means a military airport, which is something we're looking at; and, obviously, the Pentagon has all kinds of rules and regulations about what kinds of aircraft fly into those bases.

Q. But wait—his plane has landed in the past at Andrews.

A. Yes. I'm not suggesting that it will land at Andrews.

Q. John, have you heard whether he may not care for the specifics that you're outlining here and may boycott the meeting?

A. I have not so heard. Have no indication.

Q. Are you suggesting a noncivilian aircraft, a Soviet military plane?

A. Yes.

Q. And would it land at, say, McGuire, or some place like that?

A. It might land somewhere in the vicinity of New York.

Q. A lot of commercial airports have military sides to them, whether National Guard or—are you thinking in terms of something like that?

A. No. We're in the middle of this, but I don't want—we do not expect him to land at a commercial airport.

Q. John, what's the significance of not allowing him to land in an Aeroflot plane, but allowing him to land in a Russian military plane? What's the difference?

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[22] On September 15, 1983, the Governors of New York and New Jersey, citing the Soviet destruction of the South Korean airliner and the possibility of violent new anti-Soviet protests, said they would deny permission of Soviet planes carrying Andrei Gromyko and other Soviet delegates to the U.N. General Assembly session to land at Kennedy and Newark International Airports. (*New York Times*, September 16, 1983, p. A9)

A. I think you'd have to talk to the Pentagon about that. They run military airfields.

Q. This is as a result of the ban on Aeroflot, isn't it?

A. As I understand it, the local authorities in New York and New Jersey would not permit him to land at a commercial airport, so it's academic.

Q. John, are we trying to discourage him from coming, or just trying to embarrass him?

A. No. It's not a question of trying to discourage him from coming. It's a question of facing the realities of the decision by the local authorities in certain States, which have said that he can't land—

Q. You won't let him land at a military airfield in an Aeroflot plane, is that what you're saying?

A. That's correct.

. . . . . .

Q. Is it possible, John, that the—is there a legal thing here? Is it possible that the local governments might be taking action in violation of the U.S.-U.N. host country agreement? [23]

A. I think that's a legal question, but, I mean, you have to face the realities of what is happening. They have so decided: that they are not going to accept this plane.

. . . . . .

Q. Can I go back for a minute to—what was the sequence in which you advised the Soviets that they could not come in here with an Aeroflot plane for Gromyko? Did you advise them first and they then got your approval, got approval for, made application for a military flight?

A. This is an on-going situation, so I'm not suggesting that everything is cut-and-dry. What I'm suggesting is that there was an application, in terms of our obligations in terms of U.N. attendance. We sought permission for them to land in New York or in the New York area. That permission was denied by the local authorities. So when that became evident, one was presented with a situation where you have to discuss alternative methods for them to get here, but I don't know quite—

Q. You then advised them that they could not come with an Aeroflot plane?

A. Not into a military base.

Q. And is that the sequence of events, John?

A. So far as I know, but obviously this is moving along—

Q. When exactly did all this take place? Can you tell us that?

A. I don't know. I imagine very recently.

Q. You said before about asking the Port Authority of New York, you said "we made the normal application."

A. Yes.

Q. Does that mean that everytime somebody comes in, that somebody from the State Department has to make an application to the Port Authority of New York?

A. I don't know how wide that permission goes. But certainly I think in the case of the Soviet Union—I don't know. I would have to check on what other authorizations were— [24]

Q. Have we ever allowed a Soviet military craft to land at an American military base?

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[23] Reference is to the Agreement between the United Nations and the United States of America Regarding the Headquarters of the United Nations, which the U.S. Congress approved as a joint resolution (P.L. 357) on August 4, 1947. For the text of the resolution and the agreement, see 61 Stat. 756.

[24] On September 21, 1983, the Department of State provided the following additional information: "Special flights by U.N. delegations are customarily cleared with the Port Authority of New York. This is not a matter of making application, but rather of routine coordination of the details on arrangements for such flights. The Port Authority was similarly notified in advance of Mr. Gromyko's previous annual visits to N.Y." (Office of Press Relations, Department of State; posted statement) The posted statement erroneously said that the question was taken from the noon briefing on September 17, 1983. There was no noon briefing on that day.

A. I don't know. A good advisor back there is nodding his head, but of my own knowledge I don't know that.

. . . . . .

Document 240

Statement by Vice President Bush, Belgrade, September 17, 1983 [25]

Discussions With Yugoslav Leaders on Economic and Security Issues and Terrorism

As you know, I arrived in Yugoslavia yesterday as the guest of Vice President Zarkovic. I have held talks with him and with President Spiljak, Prime Minister Planinc, Foreign Secretary Mojsov and other Yugoslav officials. I was extremely satisfied with our discussions. As always, our talks were held in the friendly, open and constructive manner which is characteristic of the good bilateral relationship between our countries.

As a result of those talks it is clear that the principles that have successfully governed the Yugoslav-American relationship for so many years—respect for independence, sovereignty, equality and noninterference—remain valid today and will remain valid in the future. A completely independent, truly nonalligned Yugoslavia is a positive factor for both European security and world peace, and the United States supports such a role and position of Yugoslavia.

My Yugoslav hosts discussed Yugoslavia's economic prospects and the Yugoslav Government's policy of economic stabilization. I have expressed my government's strong support for these determined efforts to place the Yugoslav economy on a firm basis. In that connection, I discussed the upswing in the U.S. economy and recent developments in our international economic policy. I expressed my conviction that these improvements in the U.S. economic performance will benefit Yugoslavia's own efforts to expand exports to the convertible currency area. We reviewed recent examples of bilateral, political, economic, and cultural cooperation and the prospects for strengthening such cooperation in the future.

We discussed the problem of terrorist attacks against Yugoslav diplomatic, consular, and other representatives in the United States. The United States deplores all such acts of terrorism and will not tolerate such acts in its territory. We also reviewed the specific measures that the United States has taken to prevent such attacks against Yugoslav representatives.

We also discussed pressing international issues. We are both sincerely concerned about the problems of peace and security in the world today. My government profoundly respects the Yugoslav point of view on international issues, on which we have had and will continue to have a very rewarding and ongoing dialogue.

Thank you.

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[25] Source: Press Release, September 17, 1983, Office of the Press Secretary to the Vice President; printed also in Department of State *Bulletin*, November 1983, pp. 16–17. Vice President Bush visited Yugoslavia in the course of an 11-day trip, September 11–21, to North Africa and Eastern and Central Europe. He then visited Yugoslavia, September 16–18; Romania, September 18–19; Hungary, September 19–20; and Austria, September 20–21, 1983.

Document 241

Address by President Reagan, Camp David, Maryland, September 17, 1983 [26]

"The Most Effective, Lasting Action Against Their [the Soviets'] Violence and Intimidation . . . Will Be To Go Forward With America's Program to Remain Strong. . . . This Is the Most Enduring Lesson of the Korean Air Lines Disaster"

My fellow Americans, 5 days after the Soviets shot down KAL 007, I went on nationwide television to urge that all of us in the civilized world make sure such an atrocity never happens again, and I pledged to you that night we would cooperate with other countries to improve the state of civil aviation, asking them to join us in not accepting the Soviet airline Aeroflot as a normal member of the international civil air community, not, that is, until the Soviets satisfy the cries of humanity for justice. [27]

On Thursday, an American delegation lead by Lynn Helms, who heads up the Federal Aviation Administration, went to Montreal for an emergency session of the ICAO, the International Civil Aviation Organization. This meeting was called at the request of the Republic of Korea, and 32 countries are attending. The group immediately went to work on a resolution to call for an international investigation to deplore this atrocity and to review procedures to prevent civilian aircraft from ever being attacked again. Yesterday, the resolution passed by an overwhelming majority. [28]

The Soviets have not budged. Apparently, their contempt for the truth and for the opinion of the civilized world is equaled only by their disdain for helpless people like the passengers aboard KAL Flight 007. They reserve for themselves the right to live by one set of rules, insisting everyone else live by another. They're supremely confident their crime and cover-up will soon be forgotten and we'll all be back to business as usual. Well, I believe they're badly mistaken. This case is far from closed. The Soviets' aggression has provoked a fundamental and long overdue reappraisal in countries all over the globe. The Soviet Union stands virtually alone against the world.

Decent people everywhere are coming together, and the world's outrage has not diminished. Repercussions such as that emergency ICAO meeting in Montreal are just beginning. Take the example of aviation. Canada suspended Aeroflot landing rights for 60 days and froze the signing of an agreement for Aeroflot refueling at Gander. The Canadian Air Traffic Controllers Association has withdrawn from a longstanding exchange agreement with the Soviet counterpart organization. The IFALPA, that's the International Federation of Air Line Pilot Associations, declared the U.S.S.R. an offending state. It called for its member associations to ban all flights to Moscow for 60 days, and it called on related international unions and professional associations to take similar actions. It demanded Soviet guarantees that similar attacks will never be repeated, and what is most encouraging, because it underscores this reappraisal I mentioned, the IFALPA promised to consider further actions against the Soviets if no such guarantees are given. Scandinavian Air Lines has suspended flights within Soviet airspace for 60 days. Norwegian pilots and air traffic controllers are boycotting all air service between Norway and the Soviet Union. With the exception of France, Greece, and Turkey, all the NATO nations and Japan have temporarily suspended civil air traffic between their respective nations and the Soviet Union. Even neutral Switzerland and pilots in Finland have joined the general boycott. Australia and New Zealand are also taking strong measures in the area of civil aviation. In the

[26] Source: White House Press Release, September 17, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, September 26, 1983, pp. 1271–1272. The President's address was broadcast on nationwide radio beginning at 12:06 p.m.

[27] See document 224.

[28] See document 238.

United Nations, the Security Council voted a resolution deploring the Soviet attack, forcing the Soviets to cast their veto to block its adoption. [29]

Here, too, we're seeing evidence that a fundamental reappraisal is in the works. Most countries rebuke the Kremlin. Only a few of Moscow's dependables stood up for its defense. Nonaligned nations are looking to the United States for leadership. I've instructed our Ambassador to the United Nations, Jeane Kirkpatrick, to sit down with them to seek out new areas of cooperation. In the Congress, both the House and the Senate mobilized overwhelming bipartisan support for a resolution of condemnation. [30]

Some would have us lash out in another way, by cancelling our grain shipments, but that would punish American farmers, not the Soviet aggressors. The most effective, lasting action against their violence and intimidation, and it's the one action the Soviets would welcome least, will be to go forward with America's program to remain strong. I'm confident that if enough of you at the grass roots make your voices heard, we can and will do just that. We may not be able to change the Soviets' ways, but we can change our attitude toward them. We can stop pretending they share the same dreams and aspirations we do. We can start preparing ourselves for what John F. Kennedy called a long twilight struggle. It won't be quick, it won't make headlines, and it sure won't be easy, but it's what we must do to keep America strong, keep her free and yes, preserve the peace for our children and for our children's children.

This is the most enduring lesson of the Korean Air Lines disaster. If we grasp it, then history will say this tragedy was a major turning point because this time the world did not go back to business as usual.

Until next week, thanks for listening. God bless you.

[29] See document 236.

[30] The resolution was approved by the President on September 28, 1983; see document 245.

Document 242

Transcript of a Press Conference by Vice President Bush, Bucharest, September 19, 1983 (Extracts) [31]

Conversations With Romanian Leaders

. . . . . .

VICE PRESIDENT BUSH. Thank you, Ambassador Funderburk and let me just say how pleased we have been in as much as the visit is drawing to the end to be here. As Mrs. Bush and I leave Bucharest, we want to express our appreciation to President Ceausescu, to Vice President Radulescu, who hosted this visit, Foreign Minister Andrei, for the hospitality and the kindness shown to us and the members of our party. Bucharest's well-known reputation as a warm and charming city is by no means exaggerated. Our Ambassador having been here before knows this well and has made our visit specially pleasant because of his own past experience. It was a pleasure to meet and exchange views with President Ceausescu on a full range of important international problems and bilateral issues. My talks with Vice President Radulescu and Foreign Minister Andrei were similarly of value. Among other topics we discussed ways to achieve a fuller realization of the Helsinki Final Act including the new and expanded scope [given] that act in [the] recently concluded Madrid document. It's essential that the ideals and the hopes of Helsinki and Madrid with regard to human contacts, security and economic cooperation be given concrete expression. Only then can true peace and security be achieved for our peoples. The President, the Vice President, the Foreign Minister and I also discussed the interests our nations share in expanding our trade and in keeping our cultural relations active and fruitful. Our meetings took place in an open, we felt very cordial atmosphere, and I am convinced that the better understanding we have achieved will serve to enhance the cooperation that lies ahead,

[31] Source: Office of the Press Secretary to the Vice President. The Vice President was introduced by David B. Funderburk, U.S. Ambassador to Romania.

in the years ahead. And let me close before I respond to your questions by once again expressing our appreciation for the hospitality that has been shown to us here and our admiration for the beauty of this land. With no further adieu I would be pleased to respond to questions. Yes sir.

Q. (Inaudible). Are there any concrete results through your talks with President Ceausescu or any of the other ministers, or were you just discussing things?

BUSH. Well, there were one or two bilateral things that concretely move forward but I should have said this at the outset—I have a policy when I am the guest of the President or Vice President of a country to have this statement on the details of what we talk about come from the host government. But, yes, there was some progress in a couple of specific areas but mainly there was a wide array of discussion on the issues with the President of a wide array of world issues, and certainly concern on the issues that are of the front page of every paper. We discussed those things. Yes ma'am.

Q. (Inaudible)—Johnson, Associated Press, Frankfurt. I noted that this remark about the Helsinki and Madrid documents was similar to the one you made at a luncheon toast yesterday,[32] but yesterday's mentioned human rights and this one doesn't. Is there a reason for that omission today?

BUSH. No, I just didn't want to be too repetitive, semantical. The message is exactly the same. There is no substantive reason for that. Yes, ma'am.

Q. Cathy B. [?] Press, long. I wonder if you could tell us a general outline of some of the specific agreements you reached. I understand there was something reached on commercial relations. Can you tell us generally while leaving the specifics of [*to*] our host. What agreements were reached?

BUSH. No, I can't. But I prefer that to come for [*from*] them. They may have already announced it, but it is just a courtesy thing and they were related to the trade field but I really will insist that their spokesman and their people have an opportunity to respond and put whatever spin they want on it. But in terms of our commerce and our trade we are trying to move forward and I think the steps relate to that. Yes, sir, in the back.

Q. From the Romanian News Agency and television. Mr. Vice President, could you tell if in your view the letter of President Ceausescu addressed to the President of the United States and to Comrade Andropov could help in the talks about arms reduction?

BUSH. Well, we feel that any expression of concern any communication of that nature that expresses strong conviction is helpful. The allied position is well known and it is not going to change, and it is first serious about negotiating for reduction in intermediate nuclear forces at Geneva and says nothing of strategic arms talks. We have supported and continue to support the best answer for all Europe, the best answer for the world, and that is to get rid of an entire generation of these intermediate nuclear forces, get rid of them all, everyone, get rid of them all together. That is the high moral ground that offers a lot of hope to the people of Romania and that's our position and as I understand it in the past it has had some appeal to Romania. Not being able to work that out because the Soviets don't want to do that at this point, we then suggested equal numbers, and our negotiators are there. They are at the table, they are serious, they are trying to achieve the results that in my view the whole world wants, a reduction. A significant reduction of these weapons. And we are going to stay there. And that is a concerted allied position that is not going to change. But our arms negotiators are there and they will stay there as long as it takes before, after deployment, whatever it takes to negotiate this and we are very serious about it. Our President is serious about it. I think some do not understand that. It happens to be true. Yes, in the corner. Yes, sir.

Q. Tom Bodin, Radio Free Europe. Mr. Vice President, you mentioned in your opening statement the importance of human contact in the context of the Hel-

[32] Reference is to a toast Vice President Bush made at a luncheon hosted by Romanian Vice President Radulescu on September 18, 1983, in which Bush said, among other things, "We must work together to ensure that the ideals of Helsinki and Madrid are given concrete expression, particularly in human rights, including human contact and emigration." (Press Release, September 18, 1983, Office of the Press Secretary to the Vice President)

sinki agreement. I wonder if you could expand a little more on what the United States would like to see.

BUSH. Well, the United States position is—I mean I think if we stand for anything it's for people to come and go, the freedom of people. Freedom to rejoin families. Freedom to reunite loved ones, and so we will continue to control, as every country will, its own emigration policies. But we want to see as much freedom of this nature as possible and we will, that is the hallmark of the United States, that is what the Statue of Liberty is about in a sense, and so when we come to countries, some who have different systems, some who have the same, we advocate this principle. Rejoining families for example, and of being free to move on to new horizons. And so that is the simplistic summary of a deeply held conviction by the American people. It isn't political in the United States for those who maybe haven't been to our country. It transcends political party systems. It's deeply ingrained into the makeup of our nation itself and therefore we advocate those principles, whether it is in Helsinki, or whether it's bilateral relations, or wherever else it is, whether it is happily received or not. It is something we feel strongly about. Yes, sir.

Q. (Inaudible) Is the United States Government satisfied with the human rights position in Romania and if not could you tell us whatever is causing you concern?

BUSH. Well, the differences that we have had with Romania, frankly I think things have improved. It is well known the difference we had with this country on the emigration tax.[33] What they do in terms of taxes is their business. What we do in terms of things we control are our business. But we made strong appeals and we believe that real progress has been made. We want to see it continuing in this field and a lot of fields. This is what the United States, you know we don't try to intervene in someone's internal affairs, but when we have a principle we can stick to it. And we will try to effect change that benefits mankind. Yes ma'am.

Q. From the New China Agency. In your opinion, Mr. Vice President, what steps can be taken by the American administration for the development of the relations, especially in the economic field, between Romania and the United States?

BUSH. Well, we have taken some steps in the economic field. Both have, and we think that their progress is good. The steps that I referred to, the concrete things that I talked about, will be, I am sure, announced by the Romanian Government. But basically, we want to see more trade with Romania. The concrete steps have been taken, and so I think when this joint commission comes under Secretary Baldrige there will be a follow-on.[34] Secretary Baldrige is a strong proponent of free trade of more trade with Romania, and I think out of that there may be even more specifics. But my visit wasn't to come here to outline certain mechanical steps to be taken. We have with Romania the most-favored-nation treatment. We have a wide array of trade items with them. They are concerned about the imbalance that exists and we would like to see them achieve more exports. We believe as the economy recovers that will naturally follow. But we also feel that more understanding of our markets can be very helpful to them, and there are ways in which these meetings can enhance that kind of thing. Yes, in the back, yes ma'am.

Q. (Inaudible). You have discussed the most important international problems. May I ask you how do you see the participation of Romania, the constitution of Romania to the international life?

BUSH. Well, on these major international questions, President Ceausescu is known widely for having strongly held views and being in a somewhat unique position to effect steps towards peace. I think of the Middle East. I think of his ability and interest in keeping contact with both sides in the major difficulties in the Middle East. I am talking about the Palestinians; I'm talking about Israel. So there's an area where he has had almost a unique experience from a leader of a country of keeping interest in both sides and then that leads him to make suggestions, some of which the United States might agree with, some of which we couldn't, as to what would be helpful in bringing peace to that troubled corner of the world. I had

[33] See documents 207 and 209.

[34] Secretary of Commerce Malcolm Baldrige visited Romania, October 4–7, 1983, as head of a U.S. delegation to a joint American-Romanian Economic Commission which attempted to resolve commercial differences between the two nations. For the text of this commission's joint statement, see document 246.

the opportunity to explain with him the Reagan plan what it is that we think needs to be done in Lebanon—getting all foreign forces out of Lebanon. The Israelis having agreed to get out, now we think Syria ought to do what they said and get out of Lebanon, for example. But, going back to your question, it's a much more fruitful exchange for a leader in the American government structure to come and find a leader who has a keen interest and has established contacts in all these troubled corners of the world. Africa is another place. We want to see a solution to the Namibian question and so does he. And he has a rather unique vantage point as he discusses it. The question of missiles in Europe that concerns everybody, he has a very unique vantage point. So in a lot of these places we find consultation with him to be extraordinarily useful. Now whether there is going to be any concrete steps, that we have to wait and see.

. . . . . .

Q. Romanian News Agency. Mr. Vice President, which would be the attitude of the United States Government of the proposal by Mr. Ceausescu about direct participation of the European states in the negotiations in Geneva?

BUSH. Well, we didn't dwell on that. Our position in terms of the negotiation is the biggest contribution that the United States can make having had extraordinarily full consultation with its allies. Consultations really that seasoned diplomats say have been better than any consultations in the past with those countries affected, and with an alliance that in my view is strongly together. The best contribution that we can make given the time, the clock running, and the time frame, is to for the United States not to start some new initiative but to stay there at that negotiating table under our extraordinarily able negotiator Paul Nitze and do everything we can to achieve accommodation with the Soviet Union. What else happens and what our allies decide to do in consultation with the pact countries and all of that, that is something else again. And maybe it can be helpful, and maybe not. But the only thing that the United States can do, and we are operating in a relatively short time frame here in terms of our, the second track of that dual track decision the deployment track, is to concentrate on the one forum that can solve this problem and we want to solve the problem. And we want to move forward with, as I said, hopefully an elimination of weapons. But if that's too idealistic for the Soviets, if they can't bring themselves to lower the level of terror by getting rid of the entire generation which all the allies want, why then we are there to negotiate some equitable balance arrangement. And that is the role we'll take. What role others take in terms of more people coming in that comes under the heading of their business.

Q. Yes. Mr. Vice President, you say the United States will stay at the Geneva table as long as it is absolutely necessary. At this point, do you foresee an extension of the negotiations beyond the November scheduled close?

BUSH. We'll stay there past November, the deployment will go forward but there. Those are two tracks; one is the negotiating track and the other one is the deployment. The deployment date is fixed, it is set, it has been tested in ree [?] elections and it is going forward and what goes in can also come out. And we ought to remember that. I can't conceive of any power walking away from the table once deployment starts. I mean the idea is to negotiate, the idea is to rid the world of the fear of these things. And we will stay there as long as it takes. Before or after negotiations, I assume the Soviets, if the rhetoric is matched by the fact, would want to do the same thing. Nobody wants to stop talking. Nobody wants to stop negotiating. I can't imagine any country adopting such a negative attitude as that.

. . . . . .

Q. One last question. Can you tell us anything about your discussions on U.S.-Soviet relations?

BUSH. I can't tell you about the discussions but I can tell you about the relations. One, we want a negotiation to bring about a reduction, a serious major, verifiable reduction in nuclear arms. Two, this Korean airline incident—there is no question about it, that has made relations more difficult. I cannot convey to you who have not been in the United States recently the depth of feeling in my country about the barbarous downing of that airplane. About the killing of 269 innocent people. That was bad. That was bad

enough, but then to say we [*they*] would do it again is unconscionable, in terms of any kind of understanding in the United States, unconscionable. So that incident and you have seen the reaction all around the world has made tense the relationship. Now the President acted in a restrained way. He said these talks are going to go on and they are as far as we are concerned, but to ask me to size up for you the relationship and not discuss that matter would be, there would be no diplomatic word for it. It would simply be inexcusable because it is very serious, and it has happened before. Korean airliner downed in 1978 with two civilians killed and now it happens again and now they say they will do it again. The world doesn't understand this. Most people in the world don't understand it. So it has complicated relations. There is no question about it. But when it comes to reduction of missiles, when it comes to trying to lower the levels of tension in the world, the United States is there at the table now, didn't leave, will continue to be there, will reach out, go that extra mile, to try to achieve arms reductions. And maybe it would be a good time for all to consider, well isn't this given the problem that incident caused, wouldn't it be a good time to take the high moral ground and just say: "Let's make a major step together to eliminate a whole generation of these weapons, get rid of them all." I think maybe it would. Let's hope that out of something horrible something good eventually can come. Thank you very much.

Document 243

Transcript of a Press Conference by Vice President Bush, Budapest, September 20, 1983 (Extracts) [35]

Conversations With Hungarian Leaders

[Bush.] We have now come to the end of what for Mrs. Bush and me has been a satisfying and useful visit. The productive meetings we engaged in here have strengthened my own convictions about the importance of continued cooperation and exchange between our two countries. Both sides have clearly demonstrated their commitment to working for peace and security in Europe and throughout the world, through further improvement of our bilateral relationship and continued participation in broader international arenas. I leave Hungary convinced that every effort is being made to continue the warm and sturdy relationship our two countries enjoy. And I am confident that such efforts will not only continue now on both sides, but lead to further cooperation. I am grateful to those whose dedication make our relationship such a good one, and particularly to those whose hard work has made this visit such a success today. Then, I leave with a fuller understanding of Hungary, its interests and its people. To all of you who have contributed to the fruitful and enjoyable experiences during my stay here, I extend my heartfelt thanks. The hospitality, courtesy, and friendship that we have enjoyed on this, our first visit to Hungary, encourage me to hope that it will not be our last. Thank you.

Reporter for Hungarian TV Newsreel. Q. Yours is the first Vice Presidential visit to Hungary from the United States. Now after having had an opportunity to meet and get acquainted with our leaders, how do you see that this visit will facilitate and encourage the further development of our bilateral relations?

Bush Reply. Well I think I have a better understanding from talking to the top leaders of the system of the desire to move forward in all areas where we can, and the first one that comes to mind, in particular, is the field of commercial relationship. We exchanged ideas as to how this can go forward. And so I think the answer to the question lies in much more understanding. Not just on my part, but on the part of all those who are traveling with us: What we refer to in the United States as differentiation. We are respectful of Hungary in its alliances and all this, but we differentiate. When we see countries that want to work with us, who want to trade with us, who want to cooperate in other areas. I think of culture and other areas of that nature. That's good. And the United States, I hope, will continue to be a strong partner, a good partner and a partner that wants to see relations continue to improve. So it's understanding

[35] Source: Office of the Press Secretary to the Vice President.

which will enhance the relationship that both sides value.

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Q. Istvan Szabo of *Nepszabadsag*, Communist Party newspaper.

In your interview in the Hungarian TV, you mentioned the possibility that the cooperation of our countries may be extended. First of all, in the economic field, my question is: What do you expect us to do in the interest of this kind of development and what may be the U.S. Government's contribution to this aid?

BUSH REPLY. More trade. And we don't expect any special considerations or special requirements from Hungary. We want to see those market forces work. We want to see mutual trade. I'll be very honest with you. We are trading with Hungary because it is in the interest of the United States to do so. Hungary is trading with the United States, I assume, because it is in the interest of Hungary to do so. What we believe is that the freer and fuller trade we have, the more benefit it is to both peoples. So we are not asking for some special consideration or asking the Hungarian Government officials or the Hungarian people to diminish any relationship they have with anyone else. All we are saying is, let's have open trading relations develop as strongly as possible. That is what we are pressing for. And I am encouraged with the way that is moving. Now there are certain considerations in the way in which U.S. trade works where Hungary has needed support from the United States in terms of the multinational organizations to which we are the largest contributor in terms of special trade provisions such as MFN, which is a component of the U.S. law. And in there, we try to work with our Congress so that the markets will be available in the freest possible way to Hungarian commercial interest.

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VOA CORRESPONDENT. Q. What kind of a personal message, if any, did you bring from President Reagan to President Losenczi?

BUSH REPLY. The greeting we did. I handed him a letter. I think it would be more appropriate for that to be released by the President. But it was a message of friendship. It was a message of cooperation. It was a message of genuine good will recognizing the improved relations that exist. You know, I have been in the diplomatic field from time to time as Ambassador at the United Nations and as Ambassador in China. And in diplomacy, you are taught to use funny words like full and frank discussion and all these words which have double and triple-entendres. When you don't like somebody, you say we had a frank exchange instead of saying we started shouting at each other. But these meetings, leaving out all the diplomatic language, have been really good. Where we have had differences, we have discussed them. Where we see things that could complicate the life of one country or another we discussed them. And so there has been an openness here that I find refreshing and that I want to certainly report to our President.

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MAGYAR HIRLAP. Q. Do you see a chance for the most-favored-nation status for Hungary to be prolonged for more than one year?

BUSH REPLY. That's a matter that has been discussed. That's a matter, very frankly, and I don't think this is violating a confidence, we discussed at great length with the leaders. The question is: "Do I see a chance?" The answer is yes. The certainty of it or when that will happen, I am not prepared to comment on. But that is the kind of matter I was talking about earlier that, as relations improve, certainly it is understandable that that would be wanted by both sides. So, yes, there's a chance.

Q. In the past decades Hungarian intellectuals have gained fame in the U.S.A. Is the Government of the United States planning to take steps to further utilize Hungarian intellectuals?

BUSH REPLY. Yes, in a very special sense, Hungary has enriched the United States technologically, culturally and in many other ways. So that kind of experience, that kind of talking to each other really does help improve relations, and very candidly it has been an enormous benefit to the U.S. in many ways. We have many people of Hungarian heritage living

in the United States. They still feel a great affinity for Hungary and the more of the kind of exchange you just mentioned that takes place, the better it is as far as the United States Government and people are concerned. Most of these exchanges, or a lot of them, go into relationships with private groups, private universities, private think tanks, private research organizations, medical organizations, and we respect Hungary's massive contribution to the U.S. development.

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Document 244

Address by Vice President Bush Before the Austrian Association for Foreign Policy and International Relations, Vienna, September 21, 1983 (Extracts) [36]

U.S. Policies Toward Eastern Europe

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You Austrians so aptly call this part of the world *Mitteleuropa*—Central Europe. Can a wall, can guard dogs and machine guns and border patrols deny hundreds of years of European history? Can they create and enforce this fictitious division down the very center of Europe?

When we think of that monstrous wall, we think first of the very personal violence it expresses: Families divided, a people held prisoner in their own country. But what of the violence—just as real—it does to our history and traditions? What of the violence it does to Europe?

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It has often been remarked that of the three great events in European history—the Renaissance, the Reformation, the Enlightenment—Russia took part in none. But Mitteleuropa, the region that gave birth to Jan Hus, took part in them all. This region has always looked west, not east. I was struck by the close ties in even its easternmost quarter when I heard the beautiful romance language, so similar to French and Italian, spoken by the people of Romania.

Fortunately, we are beginning to see fissures in the wall. During my visit I saw that, more and more, the natural forces which bring people closer together, rather than push them apart, are beginning to reassert themselves.

We in America feel strong and unbreakable ties with the people of Central Europe. So many Americans came to our country from this region to escape poverty and religious and political persecution. Many still do. America was built in great part through the industry of Hungarians, Germans, Czechs, and Poles. Across the street from my office in the White House stands a statue of Tadeusz Kosciuzko, a hero of our revolutionary war, whose brilliance as a military engineer helped free my country from foreign domination. The United States, in fact all of the civilized world, remembers with the deepest gratitude the part played by the free Polish forces in World War II, the brave fighters who rejected Hitler's and Stalin's infamous pact to partition their country. And we will never forget the courage of the Poles who, after years of suffering the ravages of war and the ruthless suppression of their people, rose up again in Warsaw—they fought to the end, while those who called themselves their allies cooled their heels on the east bank of the Vistula River.

The ties of my country to Central Europe are many, our histories are often intimately intertwined. The founder and President of the first Czechoslovak Republic, Thomas Masaryk, married an American. Sixty-five years ago this October, he wrote the Czechoslovak Declaration of Independence, a document founded on the same "historic and natural" rights that guided our own forefathers in writing our Declaration of Independence. To quote from that document written by Masaryk: "We accept and shall adhere to the ideals of modern democracy, as they have been the ideals of our nation for centuries." The "nation of Comenius," he said, accepts "the principles of liberated mankind,

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[36] Source: Press Release, September 21, 1983, Office of the Press Secretary to the Vice President; printed also in Department of State *Bulletin*, November 1983, pp. 19–23.

of the actual equality of nations, and of governments deriving all their just power from the consent of the governed."

The Czechoslovak Republic, which lasted from 1918 until 1938, was one of the most prosperous countries in Europe; its charter guaranteed "complete freedom of conscience, religion and science, literature and art, speech, the press, and the right of assembly and petition."

Today, according to their own constitution, the Czechs are promised the same freedoms; so, too, by written law and international treaties to which the Soviet Union and the governments of Eastern Europe are signatories, are the people of other countries in the region promised these basic human rights. But we have seen how often governmental deeds diverge from official promises. The people in many parts of Eastern Europe must now carry on their culture, their traditions, underground and in fear.

But there are groups, such as the Charter 77 movement in Czechoslovakia, and Solidarity in Poland which have sought to persuade their government to abide by their own laws and international commitments. Because of these individuals, who courageously demand their human rights, and because of the more imaginative leaders in some of these countries who have listened to the just wishes of their people and have sought to democratize their social and economic systems, European culture on the eastern side of the continent will never die.

The United States shares with these people a vision of Eastern Europe in which respect for human rights becomes the norm and not a rare concession to international pressure, where prosperity and advancement replace economic backwardness, and openness overcomes barriers to human contacts and economic cooperation. In approaching the problems of the region, United States policy is guided by certain constants: First, we recognize no lawful division of Europe. There is much misunderstanding about the substance of the Yalta Conference. Let me state as clearly as I can: There was no agreement at that time to divide Europe up into "spheres of influence;" on the contrary, the powers agreed on the principle of the common responsibility of the three allies for all the liberated territories. The Soviet Union pledged itself to grant full independence to Poland and to all other states in Eastern Europe, and to hold free elections there. The Soviet violation of these obligations is the primary root of East–West tensions today.

A similar misunderstanding exists about the Helsinki Accord. Some argue that Helsinki endorses the status quo, the present division of Europe. We reject this notion. At review sessions in Belgrade, Madrid, and the upcoming session here in Vienna in 1986, we have stated and will continue to insist that the heart of Helsinki is a commitment to openness and human rights.

Let me stress here that the United States does not seek to destabilize or undermine any government, but our attitude toward the region is informed by a sense of history—of *European* history. For this reason we support and will encourage all movement toward the social, humanitarian and democratic ideals which have characterized the historical development of Europe. We appreciate the special role of countries such as Yugoslavia and Austria which have contributed so much to restoring historic patterns of trade and communications.

We share with the people of Eastern and Central Europe three basic aspirations: freedom, prosperity, and peace. We recognize the diversity and the complexity of the region. Of Austria's neighbors to the East, some have shown a greater measure of independence in the conduct of their foreign policy. Some have introduced greater openness in their societies, lowered barriers to human contacts, and engaged in market-oriented economic reforms. Others, unfortunately, continue to toe the Soviet line. Their foreign policy is determined in Moscow, and their domestic policies still flagrantly violate the most fundamental human rights.

In our relations with the countries of Eastern Europe, we take these differences into account. Our policy is one of differentiation—that is, we look to what degree countries pursue autonomous foreign policies, independent of Moscow's direction; and to what degree they foster domestic liberalization—politically, economically and in their respect for human rights. The United States will engage in closer political, economic and cultural relations with those countries such as Hungary and Romania which assert greater openness or independence. We will

strengthen our dialogue and cooperation with such countries.

We are not saying that countries must follow policies identical to those of the United States. We will not, however, reward closed societies and belligerent foreign policies—countries such as Bulgaria and Czechoslovakia, which continue to flagrantly violate the most fundamental human rights; and countries such as East Germany and, again, Bulgaria, which act as proxies to the Soviets in the training, funding and arming of terrorists, and which supply advisors and military and technical assistance to armed movements seeking to destabilize governments in the developing world.

Let me stress once more that our hopes for Eastern Europe are peaceful. But we believe that reform is essential. Over the span of many years the United States has provided hundreds of millions of dollars of loans and credits for the Polish economy in the hope that this aid would help build a more plentiful and open society. We cannot, however, be expected to shore up a nation's economy when the government refuses to institute the most basic economic reforms. If countries insist on following the Soviet economic model, even dollars, francs and marcs cannot prevent the certain failure of their economies.

It is by now abundantly clear that highly centralized, command economies cannot fulfill the basic needs of their populations, let alone remain competitive in world markets or keep pace with technological advancement. Just as retarded industrial development relegated much of nineteenth century Central Europe to a backwater of agricultural poverty, there is ample evidence that the unfolding information revolution will sweep past an unprepared Soviet Union and much of Eastern Europe—unless there is basic change. For example, Hungary's relative prosperity demonstrates the practical, positive results that follow on social and economic liberalization.

The countries of Eastern Europe have a choice to make. They can close themselves off, or they can open up and join the world economy positively, as traders rather than debtors. Think about this: 25 percent of all Soviet farm output comes from private plots that occupy less than 3 percent of the Soviet Union's agricultural land. It's doubtful whether Soviet agriculture could survive without this concession to private enterprise.

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I'd like to close with the words of a great Mitteleuropean, His Holiness Pope John Paul II. In just three lines he pointed out the road toward a better future:

"Persons over Things.

"Ethics over Technology.

"Spirit over Matter."

I have visited four important nations in Central Europe—nations rich in culture and history; nations with differing systems and perspectives. But in my talks with the leaders and people of these countries, I've become convinced that we all share a common goal—to heal the wounds that separate us, to remove the artificial barriers which divide us, and to reduce the level of fear and terror in the world through arms reduction.

I come away from Eastern Europe with a strong sense of its diversity, a strong sense of the uniqueness of each country. With some, our ties are already greatly improved—my visit is one indication of that. But we are not about to write off a single country. We are ready to respond to each to the extent that they are meeting their own people's aspirations, are pursuing their own independent foreign policy, and are willing to open up to the rest of the world.

I am an optimist. I see a bright future for Central Europe—a future of peace, prosperity, and freedom. I am positive the barriers will come down and that the desire of our neighbors to the East to once more become a full part of Europe will finally, after many hard bitter years, be fulfilled. In this spirit of reconciliation, we must all work together to make this optimistic vision a reality—to once again make Europe whole.

Thank you.

Document 245

Public Law 98–98, Approved September 28, 1983 [37]

Condemnation of the Soviet Union's Destruction of the South Korean Airliner

Whereas the United States joins with the world community in expressing its outrage over the actions of the Soviet Government on August 31, 1983, which caused the destruction of Korean Air Lines flight 7 with the loss of two hundred and sixty-nine innocent lives;

Whereas on August 31, 1983, Korean Air Lines flight 7 inadvertently entered Soviet airspace;

Whereas Soviet authorities tracked Korean Air Lines flight 7 for more than two hours, but did not adhere to all the internationally recognized procedures necessary to warn the aircraft that it was off course and to protect its passengers;

Whereas a Soviet Air Force fighter fired air-to-air missiles at Korean Air Lines flight 7 and destroyed the unarmed, clearly marked civilian airliner with two hundred and sixty-nine innocent men, women, and children from fourteen nations aboard, including sixty-one of our fellow citizens;

Whereas among the victims was a distinguished Member of Congress, the Honorable Larry P. McDonald;

Whereas the highest levels of the Soviet Government have lied in an attempt to justify this unconscionable act and have continued to deny access to the area where the airplane went down;

Whereas the Soviet Government has publicly proclaimed its intention to repeat its murderous act if another airliner wanders inadvertently into Soviet airspace; and

Whereas this cold-blooded barbarous attack on a commercial airliner straying off course is one of the most infamous and reprehensible acts in history: now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States hereby—

(1) condemns the Soviet crime of destroying Korean Air Lines flight 7 and murdering the two hundred and sixty-nine innocent people onboard;

(2) calls for a full and frank explanation from the Soviet Union for this brutal massacre;

(3) extends its deepest sympathies to the families who lost loved ones, and supports their rights to obtain reparations from the Soviet Union;

(4) calls on the Soviet Union to assist international efforts to recover the remains of the victims;

(5) calls for an international investigation by the International Civil Aviation Organization into this heinous incident;

(6) declares its intention to work with the international community in demanding that the Soviet Union modify its air defense procedures and practices to assure the safe passage of commercial airliners;

(7) finds that this tragic incident, and the Soviet Government's refusal to acknowledge responsibility for its wanton conduct, will make it more difficult for the United States and other nations to accept the Soviet Union as a responsible member of the international community; and

(8) urges our allies and other nations to cooperate with the United States in continuing to demand that the Soviet Government unequivocally apologize for its actions, fully compensate the families of the innocent victims, and agree to abide by internationally recognized and established procedures which are purposefully designed to prevent the occurrence of such tragedies.

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[37] Source: 97 Stat. 715. This law, which originated as House Joint Resolution 353, passed the House of Representatives on September 14, 1983, and the Senate on September 15, 1983. For text of President Reagan's statement of gratitude to the Congress when he signed this joint resolution into law on September 28, 1983, see *Weekly Compilation of Presidential Documents*, October 3, 1983, p. 1357.

Document 246

Joint Statement by the Secretary of Commerce (Baldrige) and the Romanian Minister of Foreign Trade and International Economic Cooperation (Pungan), Bucharest, October 7, 1983 [38]

Ninth Session of the Joint American-Romanian Economic Commission

1. The ninth session of the Joint American-Romanian Economic Commission was held in Bucharest October 4–7, 1983.

2. Vasile Pungan, Minister of Foreign Trade and International Economic Cooperation of the Socialist Republic of Romania, headed the Romanian delegation and presided at the Commission meeting.

Malcolm Baldrige, Secretary of Commerce of the United States of America, headed the American delegation.

The lists of the members of the official American and Romanian delegations are appended. [39]

3. Members of the Romanian-American Economic Council as well as other American firms and Romanian economic organizations participated in the work of the session.

4. On the occasion of the Commission meeting Malcolm Baldrige, Secretary of Commerce of the United States of America, was received by the President of the Socialist Republic of Romania, Nicolae Ceausescu.

5. On October 6, 1983, Secretary Baldrige opened the largest U.S. exhibition at the Bucharest International Fair since 1976.

6. Secretary Baldrige had discussions with Vasile Pungan, Minister of Foreign Trade and Foreign Economic Cooperation, Ioan Avram, Minister of Machine Building, and met with Ioan Florea, Minister of Woodworking Industry and Building Materials, Lina Ciobanu, Minister of Light Industry, Ion Tesu, Minister of Agriculture and Food Industry, as well as other prominent persons from the leading economic sectors of Romania.

7. The work of the Commission session took place in the plenary sessions, working groups on trade promotion (I), development of economic, industrial and technical cooperation (II), and cooperation in agriculture (III), and in meetings of the official representatives of the two countries.

8. On the occasion of the session a seminar on marketing, advertising, and promotion of Romanian products on the American market was jointly organized by the U.S. Department of Commerce and the Romanian Institute of World Economy.

9. The sides expressed satisfaction with the positive development of American-Romanian economic relations in the ten years which have passed since the establishment of the Joint Commission in conformity with the Declaration jointly adopted in 1973. [40]

In the conviction that a substantial expansion of bilateral trade and economic cooperation is possible and desirable, the two sides reaffirmed their determination to act for the accelerated development and diversification thereof on the basis of mutual advantage, as well as their commitment to friendship between the United States of America and Romania, and their continuing readiness to consult on problems in regard to bilateral economic relations, in the spirit of agreements existing between the two countries.

10. The two sides were encouraged by the continuing improvement of Romania's international financial situation and by the economic recovery in the United States, which create conditions favorable to growth of trade. They examined ways of giving a new impetus to American-Romanian economic relations and expressed the belief that special efforts of both sides

[38] Source: Department of Commerce files.

[39] The lists of the delegations were not attached to the source text.

[40] Reference is to the Joint Statement on Economic, Industrial and Technological Cooperation Between the United States of America and the Socialist Republic of Romania, December 5, 1973, which, among other things, established a joint Romanian-American Economic Commission to meet annually, alternatively in Bucharest and Washington. For text of this joint statement, see Department of State *Bulletin*, January 7, 1974, pp. 9–11.

would result in benefits for both economies and would enhance the warm relations between the American and Romanian peoples.

11. The two sides agreed to support effectively efforts to achieve a level of bilateral trade in 1984 higher than the highest level reached until now, so that in the following few years a level of 2 billion dollars annually may be reached.

12. The sides agreed to facilitate the creation, on the basis of mutual advantage, of appropriate mechanisms to promote accelerated growth of exports, including the establishment of joint marketing ventures and other vehicles to promote sales.

13. The American side explained the possibilities which the Generalized System of Preferences offers Romania and the resulting advantages for the development of economic relations between the two countries.

14. Noting the importance of Most-Favored-Nation tariff status to the development of their bilateral economic relations, the two sides discussed their respective concerns in this regard. They expressed satisfaction at the renewal of Romania's Most-Favored-Nation status in 1983 and agreed that every effort should be made to create conditions favorable to its continued extension. [41]

15. With a view to the further development of bilateral economic relations, the two sides discussed a wide range of issues in respect to the exchange of economic information and data, of import and export administration, specific aspects of negotiation and fulfillment of contracts, countertrade, as well as banking, financial, transportation and tourism matters.

16. The two sides exchanged views on the concern of the American side regarding some aspects of Romanian patent legislation and agreed to continue their efforts to reach mutually acceptable solutions to such problems as might arise, in the interest of the development of trade and bilateral economic cooperation.

17. The parties examined the results obtained until now in the area of bilateral economic cooperation, had a wide exchange of views regarding the possibilities for expanding bilateral economic cooperation, and analyzed proposals of the Romanian side for industrial and agricultural cooperation, including joint production ventures. The Romanian side emphasized its particular interest in the areas of industrial robotics, electronics, telecommunications, pharmaceuticals and other chemical products, fodder production, animal husbandry, and other areas of agricultural production.

Both sides agreed promptly to inform their companies and economic organizations of possibilities for new cooperation projects, including joint production and marketing ventures. They agreed to examine new fields of cooperation in production, including third-country cooperation and cooperation in the areas of banking, maritime transportation, and ocean fishing.

18. On the occasion of the session, the American side presented proposals regarding the program for increasing productivity in industry, agriculture and services in Romania, and discussed the methods for their implementation.

19. The two sides exchanged information on the agricultural situation and outlook in each country. The discussion included an exchange of views on the facilitation of trade and bilateral cooperation in the field of agriculture and the program for the systematic exchange of statistical information, and for the development of scientific and technical cooperation was examined.

20. The two sides agreed that the development of Romanian exports to the United States would lead to the increase in American exports to Romania and would contribute to the increase of bilateral trade.

21. The Romanian side expressed its opinion that the implementation of economically advantageous activities in the field of economic cooperation between the two countries is impeded by delays in the issuance or denial of U.S. export licenses. The American side noted the concern of the Romanian side and stated that export license requests for Romania would receive a full hearing.

22. A fruitful exchange of views took place on business facilities benefitting economic organizations engaged in commer-

[41] Regarding this extension, see document 209.

cial and cooperation activities in the two countries. The two sides agreed to develop and improve these facilities.

23. The Romanian side expressed its concern in connection with problems in respect to the renewal of the civil aviation agreement and access of Romanian aircraft to airports in the United States. [42]

24. The two sides agreed, within the context of the existing Commission and Council mechanisms, to review periodically progress towards achieving increased trade and industrial cooperation.

25. The two sides expressed their high regard for the contribution of the Romanian-American Economic Council and welcomed the participation of its members in the proceedings of the Commission.

26. The parties agreed that the ninth session of the Commission represented an important step in the development of mutual relations in accord with the understandings between the presidents of the two countries, in the interest of the two peoples and that of international economic cooperation.

27. The Commission agreed to hold its following session, the tenth, in Washington, in 1984. The date and the agenda will be agreed in accord with the terms of reference and the rules of the Commission.

MALCOLM BALDRIGE
VASILE PUNGAN

Document 247

Statement by President Reagan, October 18, 1983 [43]

Condemnation of Soviet Human Rights Policies

Barely a month after attending an international conference in Madrid and joining 34 nations in a commitment to respect human rights, the Soviet Union has gone back on its word, launching a new campaign of repression against human rights activists.

Moscow has just sentenced a well-known Soviet refusenik, Iosif Begun, to 7 years imprisonment and 5 years of internal exile. [44] The punishment of this courageous Jewish believer is the most severe measure specified in Article 70 of the Soviet criminal code, dealing with dissemination of so-called anti-Soviet propaganda.

Soviet persecution of religious and political dissidents is not new. In the case of Mr. Begun, the Soviet regime has refused for 13 years to honor his request to emigrate to Israel.

But Soviet policy toward Jewish emigration and dissident movements has sunk to a new low of brutality and repression. Anti-semitism has escalated dramatically, as has harassment of other human rights defenders. We have received reports that Father Sigitas Tamkevicius, a Lithuanian Catholic priest active on behalf of religious freedom, is facing a similar fate as Iosif Begun.

Finally, we have received reports that Oleg Radzinskiy has also been tried. Mr. Radzinskiy, a member of the unofficial Soviet peace organization "Group to Establish Trust Between the US and USSR" was arrested October 28, 1982, and has been held for almost a year. The inability of Soviet authorities to tolerate any activities by those who are not members of their government-controlled, "captive" peace groups illustrates the hypocrisy of their statements. There is a night and day contrast between aggressive Soviet efforts to encourage peace demonstrations in the West and their brutal arrests and exile of peace activists in the East.

We condemn these illegal and inhumane acts. We hold the Soviet Union ac-

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[42] Reference is to the air transport services agreement between the United States and Romania, signed in 1973, subsequently amended and extended, and most recently renewed by an exchange of notes on March 22 and 23, 1983, until January 30, 1984. (TIAS 10703)

[43] Source: White House Press Release, October 18, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, October 24, 1983, pp. 1457–1458. For text of a statement issued by the Department of State, October 13, 1983, on the repression of human rights activists in the Soviet Union, see Department of State *Bulletin*, December 1983, pp. 31–32.

[44] For an excerpt from a Department of State statement, October 15, 1983, on the trial of Iosif Begun, see *ibid.*, p. 32.

countable for its violations of numerous international agreements and accords on human rights to which it is a party. We call upon the Soviets to reverse their inhumane policies and to prove to the world they will back up their words with action, and start living up to their agreements.

Document 248

Statement by the President's Principal Deputy Press Secretary (Speakes), November 2, 1983 [45]

U.S. Sanctions Against Poland

In the past months, we and our allies have been engaged in extensive dialog on the situation in Poland. Very serious problems still remain. The Polish Government continues to defy the wishes of the majority of the Polish people; a number of political prisoners are still incarcerated and indictments have been brought against certain of these prisoners; free labor unions have not been restored; no genuine economic reforms have been implemented and stringent censorship still exists.

For these reasons, our sanctions presently remain in place. These include the suspension of Polish civil aviation privileges in the United States; the freeze on Export-Import Bank's line of export credit insurance for Poland; the implementation of a "no-exceptions" policy which restricts export licensing of high technology items to Poland; opposition to the extension of any new credits and Poland's entry into the IMF; suspension of Poland's MFN status; curtailment of the shipment of non-humanitarian agricultural commodities for distribution by the Polish Government; suspension of joint travel under the Maria Sklodowska Curie Fund which finances joint scientific research projects; and curtailment of Polish fishing in U.S. waters.

In the hope of inducing the Polish Government to begin pursuing a path of national reconciliation and restore free trade unions, the President has endorsed two limited steps. Specifically, the United States jointly with its allies has agreed to enter into discussions on the Polish debt to official creditors. We seek repayment of U.S. loans to Poland. In this regard, the United States is not extending Poland new credits nor supporting Poland's entry into the IMF. As a bilateral step, we have agreed to permit Polish officials to engage in discussions with private fishing companies about potential fishing arrangements. Our ban on Polish fishing in U.S. waters still remains in place. Moreover, even though discussions have been authorized no actual allocation of fish will be provided at this time. Rather, any future allocation of fish at the end of the discussions will be contingent on the Polish government's actions on human rights.

These steps taken represent a limited response to very modest improvement in the human rights situation in Poland. The United States has taken note of the successful June visit of His Holiness John Paul II to his homeland, and of the release of the majority of political prisoners in Poland. We are waiting for the Polish Government to take definitive action to restore the human rights of the Polish people—rights which belong to them from birth and which are not government's to take away.

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[45] Source: White House Press Release, November 2, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, November 7, 1983, p. 1514.

I. Spain

Document 249

Prepared Statement by the Assistant Secretary of State for European Affairs (Burt) Before a Subcommittee of the Senate Foreign Relations Committee, March 9, 1983 (Extract) [1]

Request For Security Assistance for Spain

I appreciate the opportunity to appear before this committee in support of the European portions of the administration's proposals for security assistance in fiscal year 1984.

As Secretary Shultz emphasized to this committee on February 15, 1983, [2] the general program of security assistance and economic assistance is of great importance to us in our foreign policy. He also emphasized before the House Foreign Affairs Committee on February 16, [3] in support of our foreign assistance programs, that NATO is an alliance that serves the interest of the United States as well as of our allies. I have participated in the development of the integrated foreign assistance program to meet our national economic and security objectives, as well as those of our close allies who share these objectives. I want to emphasize that security assistance is an essential part of both our foreign policy and defense planning, and I would now like to describe our major programs in support of the NATO allies requiring assistance, as well as a program for Cyprus.

Spain has been an important strategic partner since 1953. [4] Now, with its entry into NATO last May and its democracy firmly in place following elections and a peaceful change of government last fall, Spain has become an important democratic ally as well. The basis for our security cooperation has thus broadened, modernization of Spanish military forces to NATO standards has gained new importance, and our security assistance relationship has become more vital than ever.

In this context, the United States and Spain signed a successor agreement to the 1976 Treaty of Friendship and Cooperation [5] on July 2, 1982. [6] The new Spanish Government, after negotiating a supplementary protocol which clarifies the relationship between the agreement and NATO has proceeded with the ratification process, which is expected to be completed in late April or early May. It has, however, "frozen" further military integration into NATO pending an overall review of its security policy. The new agreement provides for United States "best efforts" in security assistance and ensures continued United States use of important Spanish military facilities.

U.S. security assistance is thus an integral part of this important security relationship. It is vital to the credibility of our "best efforts" pledge and to our reliability as an ally, and it is vital to Spanish efforts to bring their force to NATO standards. And, apart from securing U.S. direct military benefits in Spain, U.S. security assistance will serve broader security interests, encourage Spain to see the greater benefits of cooperation in a NATO context, and signal our continuing support for Spain's still young democracy.

The proposed fiscal year 1983 security assistance program for Spain consists of $400 million of foreign military sales financing (FMS), $3 million of international military education and training (IMET),

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[1] Source: *Security and Development Assistance: Hearings Before the Committee on Foreign Relations, United States Senate, Ninety-eighth Congress, First Session* (Washington, 1983), p. 523. Richard Burt's statement was submitted to the Subcommittee on European Affairs.

[2] For Secretary Shultz's statement to the Senate Foreign Relations Committee, see document 52.

[3] For Secretary Shultz's testimony, see *Foreign Assistance Legislation for Fiscal Years 1984-85: Hearings Before the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), Part 1, pp. 88–148.

[4] Reference is to the Mutual Defense Assistance Agreement, signed at Madrid, September 26, 1953. For text, see 4 UST 1876.

[5] The Treaty of Friendship and Cooperation between the United States of America and Spain, together with seven Supplementary Agreements, were signed at Madrid, January 24, 1976. For text, see 27 UST 3005.

[6] Reference is to the Agreement on Friendship, Defense and Cooperation, with complementary agreements, and exchanges of notes, signed at Madrid, July 2, 1982. (TIAS 10589)

and $12 million of Economic Support Fund (ESF) assistance. The FMS financing request will help Spain to purchase advanced fighter aircraft, an air defense missile system, helicopters, Harpoon missiles, torpedo improvement kits, and ground support weapons (LTV's and tanks).

The fiscal year 1984 IMET will support armed forces modernization by increasing the overall professionalism of the Spanish Armed Forces. It will also provide specific training courses (pilots training missile systems, maintenance, logistics, administration) to help ensure the most efficient use of FMS-supplied resources. The fiscal year 1984 ESF request will fund the educational, cultural, and scientific programs administered by the Department of State and the U.S. Information Agency. These programs enhance the nonmilitary aspects of our relationship with Spain and are important in developing a broad range of ties appropriate for two friends and allies.

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Document 250

Statements by President Reagan and Spanish Prime Minister Gonzalez, June 21, 1983 [7]

U.S.–Spain Discussions of International and Bilateral Issues

THE PRESIDENT. I would like to take this opportunity to underscore our great pleasure at receiving President Gonzalez and express once again our friendship and admiration and support for the government and the people of Spain.

The President and I had an exceptionally productive and cordial meeting today. We reviewed international and bilateral matters in an open, understanding and democratic spirit that one would expect between friends and allies. We affirmed the need for strong leadership to deal with the political and economic and social problems which underlie so much of the unrest in the world today.

We agreed on the importance of maintaining Western strength and solidarity in these critical times and expressed our desire to work closely together as we faced the challenges ahead. We agreed on the desirability of early, positive and balanced conclusion to the CSCE Review Conference presently underway in Madrid.

I expressed our appreciation for President Gonzalez' recent initiative in this regard, which we'll be discussing with our friends and allies.

There are numerous areas of closer cooperation, including the pursuit of our common energy security interests. We value Spain as an important partner. We welcome the President's high sense of responsibility in guiding his country at this critical moment in its history. We applaud Spain's aspirations to join Europe fully and to make its voice heard in Europe's leading institutions.

We believe the West's most fundamental resource is the strength of democratic institutions. The consolidation of democracy in Spain is a ringing affirmation of the vitality of Western institutions and the appeal of Western values.

PRESIDENT GONZALES. Good Afternoon. First of all I want to thank President Reagan for this occasion to hold an open conversation with the U.S.A. which we consider a friendly country, a good friend of Spain.

As you know, Spain is a very old European country who, among other things, discovered this land that nowadays occupies this great country of yours. But it's also a young country, not only because the country people are young, but because we just recovered the dignity of being a democratic country. A simple definition of Spain would characterize what her foreign policy would be. Spain is a European and a Western country—the most Western of the European countries. Nothing then more logical than its wish to, and its

[7] Source: White House Press Release, June 21, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, June 27, 1983, pp. 903–904. The remarks were made at 1:36 p.m. on the South Grounds of the White House. Earlier, the two leaders met in the Oval Office and subsequently held a working luncheon with U.S. and Spanish officials. Spanish Prime Minister Felipe Gonzalez was on an official working visit to the United States, June 20–22, 1983.

desire, to participate and integrate in the European and the Western world and cooperate with the Western world in a common destiny.

But we are also a Southern country in Europe. We are very close to Africa and our coast is in the Mediterranean Basin. This defines another important aspect of our foreign policy: the North of Africa and the important waters of the Mediterranean Basin. The fact that I cannot communicate with you in English means that there is another dimension in our policy and identity: the fact that we can communicate in our language, in Spanish, with practically 300 million people in the American Continent. This gives a third dimension in the foreign policy of Spain, without meaning that any one of them means a priority against the other.

Let me tell you that I am 41 years old, and during 33 of these years, I was dreaming of a free and democratic Spain. This is, of course, what we want and we hope for our people. But this is also what we want and we hope for other peoples wherever we can project this foreign policy. We, therefore, wish and want for other countries who can communicate with us on a cultural level: peace, freedom, pluralism, and progress.

Because it's America and because it's such an important country in the world, you'll understand perfectly well that we want also to make our links with the United States even closer which explains two things: first of all, my presence here accepting our gracious and very kind invitation of President Reagan, and my satisfaction because of the course of this conversation we have just had.

Thank you, Mr. President. Thank you very much.

Document 251

Joint Statement Issued by the U.S.–Spanish Council, October 4, 1983 [8]

Review of Progress and Problems Under the 1982 Agreement

The U.S.-Spanish Council, as the body responsible for supervising the implementation of the Agreement on Friendship, Defense and Cooperation between the United States of America and Spain, [9] met on Tuesday, October 4, 1983, in Washington, D.C., under the chairmanship of Secretary of State George Shultz and Foreign Minister Fernando Moran. This is the first meeting of the council to be held by both parties as allies since the entry into force of said agreement.

The two ministers reviewed the work accomplished by the various organs that report to the council, as well as that which had been carried out in accordance with the provisions of the agreement.

In the military field, the accomplishment of various U.S.-Spanish joint military exercises was reported and mention was made of the progress achieved in programs of military cooperation. Special note was taken of the establishment of the new Joint Committee on Defense Industrial Cooperation and of the progress made toward establishing an industrial cooperation program in this area.

Progress was also noted in the reports to the council concerning the development of scientific and technological cooperation, as well as advances realized in the cultural and educational area.

In the economic area the two cochairmen noted negative aspects in commercial, fishing, and technological relations between the two countries and agreed to make new efforts to overcome the problems raised.

The two ministers stated their intention to adopt the necessary measures to increase U.S.-Spanish cooperation in fields foreseen in the agreement and in any

[8] Source: Department of State *Bulletin*, November 1983, p. 50.

[9] See footnote 6 above.

other field of interest of both parties; to this end, they gave instructions to the council's committees to find appropriate ways to stimulate cooperation in the fields of defense, economy, science, technology, education, and culture.

J. Turkey

Document 252

Statement by the Assistant Secretary of Defense for International Security Policy (Perle) Before a Subcommittee of the House Foreign Affairs Committee, March 16, 1983 (Extract) [1]

Significant Increase in Military Assistance to Turkey

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I can say one concluding word about the Turkish request and I single Turkey out because we have asked for a significant increase this year compared to last year. [2]

I have had occasion to visit Turkey three times now since I have been in the Department of Defense. I have been in the field with Turkish forces. I have visited the Turkish facilities all over that critical country. I can tell you that the requirement for assistance in order to modernize Turkish forces is widespread. One sees it everywhere in Turkey.

It affects all elements of Turkish military power, land, sea, and air. Turkey is facing, to put it simply, block obsolescence in the equipment for their military establishment and therefore the second largest force in our military alliance is lacking.

The situation has reached a critical point and without assistance on the scale that we have proposed, which is, as I said earlier, not sufficient, but it is a gauge, I am afraid that we see Turkey unable to meet its critical NATO missions.

Among the most important of those NATO missions that is worth singling out is closing of the straits because in the event of failure to close the straits in wartime we will see the Soviet Black Sea Fleet enter the Mediterranean and engage U.S. naval forces.

I have yet to talk to a naval commander who is experienced in the Eastern Mediterranean who believes we could survive if we had to face the combined Soviet Fleet in that vital sea.

Obviously Turkey has profound implications for the stability of Southwest Asia. I would like to be very clear about the relationship that we in the Department of Defense see between Turkey as a valuable NATO ally and the stability of Southwest Asia. If one looks at the map, it is clear that the existence of a vacuum in Eastern Turkey, which is the present situation, Mr. Chairman, [3] leaves the Soviets with a great deal of freedom to move their Transcaucus force which consists of 19 divisions and associated air power.

It leaves the Soviets free to move that Transcaucus force south into Southwest Asia if they should choose to do so with virtually no prospect that they would be exposing a vulnerable flank.

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[1] Source: *Foreign Assistance Legislation for Fiscal Years 1984–85: Hearings and Markup Before the Subcommittee on Europe and the Middle East of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), Part 3, pp. 362–363.

[2] The administration requested $934 million in security assistance programs for Turkey in fiscal year 1984 as follows (with comparable actual figures for fiscal year 1983 in parentheses): Foreign Military Sales Financing Program Guaranty—$525 ($290) million; Economic Support Fund—$175 ($285) million, consisting of $100 ($200) million in grants and $75 ($85) million in loans; Military Assistance Program—$230 ($110) million; and International Military Education and Training Program—$4 ($2.772) million. (*Foreign Assistance and Related Programs Appropriations for 1984: Hearings Before a Subcommittee of the Committee on Appropriations, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), Part 1, p. 1514; and *Foreign Assistance and Related Programs Appropriations for 1985: Hearings Before a Subcommittee of the Committee on Appropriations, House of Representatives, Ninety-eighth Congress, Second Session* (Washington, 1984), Part 2, p. 1549.

[3] Representative Lee H. Hamilton.

We would not like to see Soviet military commanders with the confidence that that would give them. We would much rather that they have reason to question the wisdom of moving those troops south, the wisdom of exposing themselves on a vulnerable flank, and therefore we believe that a significant deterrent effect is achieved by the strengthening of Turkey in its own territory.

We do not envision Turkey as a way station for American forces enroute to Southwest Asia. It is quite sufficient for us that a strong Turkey will have a profound deterrent effect on the Soviet leaders.

Given the importance of Southwest Asia to the stability of the world economy we think that strengthening Turkey is vital in this regard.

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Document 253

Testimony by the Assistant Secretary of State for Human Rights and Humanitarian Affairs (Abrams) Before a Subcommittee of the House Foreign Affairs Committee, April 14, 1983 (Extract) [4]

Recognition of Human Rights Progress in Turkey

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[MR. ABRAMS.] In Turkey, terrorism was the biggest source of human rights violations in the years immediately before 1980. This problem has been virtually solved by the Evren government. The problems that need to be solved today are to return to democracy, as the Evren government is now in the process of doing, and to eliminate the restrictions on civil and political liberties that exist under martial law. In addition, Turkey's statesmen and citizens now face the difficult task of reconstituting a democratic order that will endure and protect human rights not only in principle but in practice.

Let me briefly mention four areas where human rights concerns have been expressed with regard to Turkey. The first would be whether the return to democracy under the constitution will be complete. This is a matter I know some of the witnesses who will follow will raise as well. The combination of the election of General Evren as President with the referendum for the constitution itself was confusing in this respect, [5] and I would personally have preferred that it had been done differently, that is, separately. But there can be no doubt, and I have never heard anyone express a doubt, that General Evren would have won an election of the ordinary type by an enormous margin, and the constitution itself strikes me as quite democratic.

It has been criticized in Europe, and some of the witnesses today will criticize it, because it has a strong executive. But the present constitution is a reaction against the constitution of 1961, which resembled that of the French Fourth Republic and led to similar problems. Just as the French came to reject the Fourth Republic, the Turks have rejected the constitution of 1961, and clearly it did not work for them.

The French strengthened their executive in the constitution of the Fifth Republic and our own constitution certainly has been a great model of a strong executive. I would think too much criticism on that point is unjustified.

The second serious area of concern is torture. We take encouragement from the fact that the present government has publicly condemned torture and indicated it will not tolerate such actions by public officials. It is the first Turkish Government to admit there were cases of torture and to punish the people responsible for it.

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[4] Source: *Human Rights in Cyprus, Greece, and Turkey: Hearing Before the Subcommittee on Human Rights and International Organizations of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 3–9.

[5] Temporary Article 1 of the Turkish Constitution, which the Turkish electorate approved by referendum on November 7, 1982, provided that the Chairman of the Turkish National Security Council, General Kenan Evren, become President of Turkey for a 7-year term. His term of office began on November 9, 1982, the day the new Constitution came into effect. (*Keesing's Contemporary Archives, 1983*, vol. XXIX p. 32089A)

In fact, several sentences were handed down in late March punishing officials for engaging in acts of torture. But unfortunately torture has not yet been fully eliminated in Turkey, and this fact mars Turkey's reputation as it does that of any country where this inhumane practice exists. We have urged and continue to urge the Government of Turkey to act again and again until torture is eliminated.

The third area is censorship. In this, as in restrictions on political activity by former politicians, the military government was responding to a sense that there should be a clean break between the previous period of political strife and polarization and the new period which comes ahead. We can understand this but I do not believe it justifies all of the particular cases where journalists have been charged. The present period is, of course, transitional for Turkey, and it is my hope that this limitation on press freedom will similarly be temporary. We will publicly and privately urge the Government of Turkey to restore full press freedom as Turkey returns to democracy, for a free press is indispensable in Turkey as elsewhere if the country is to remain free.

The fourth area is academic freedom. If academic freedom is to exist, universities must be free of political coercion either by partisan groups or by the Government. That condition did not exist before the military intervention in 1980.

In fact, I have noted that the report of the Congressional Commission on Security and Cooperation in Europe states this fact as well. In their report they state that "schools and universities virtually ceased to function as they became the focal point of terrorist activities." [6] The universities were politicized, racked by violence and killing to a degree we have never seen in the United States.

Students could attend the classes of professors of one political opinion only at the risk of being beaten up by students who held an opposite political opinion. The Evren government has tried to change this situation by a comprehensive university reform whose goal is to insulate the universities from politics.

If this is successful it will create the necessary conditions for academic freedom. But one of the methods used has been the dismissal of about 40 professors. Such methods of depoliticizing the universities are distasteful to Americans. That they were necessary to achieve a nonpolitical campus in Turkey is the Government of Turkey's claim, and while I am dubious of the claim it is not one I can dismiss or I think we should dismiss, given the record of violence on Turkish campuses. We can all agree that these are extreme measures which no ordinary situation would justify and which must not be permitted to undercut the goal they seek to serve, a nonpolitical campus where true academic freedom can exist.

From what I have said, it is clear there are human rights problems in Turkey to which it is well worth paying attention. Yet it is also clear the human rights problem in turkey is simply not comparable to the problems existing in countries such as El Salvador, Guatemala, and Nicaragua, much less that in countries such as Vietnam, Syria, Afghanistan, or Iran.

Turkey is now returning to full democracy. The issue that faces us with regard to Turkey is not how to change a basically bad situation, but how to support the ongoing progress which will lead, when the transition to democracy is completed, to a society basically good for human rights.

There has in fact, I think, been enormous progress which I believe deserves our recognition and support. It seems to me that the policy of those who have a real concern about human rights in Turkey, whether inside or outside Western governments, ought to have three aspects.

First we must realize that as is true elsewhere in the world, the strongest force to improve human rights practices is democracy. Not all democracies, of course, have perfect human right records, and Turkey's was not perfect under previous democratic governments. But in almost all cases democratic governments have better human rights records than nondemocratic governments. In this area I think we can have a good deal of confidence.

Turkey is returning to democracy, with no question. Unlike many military regimes throughout the world, the military authorities in Turkey have never intended to remain in power. They set a relatively

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[6] See app. 7. [Footnote in the source text. Appendix 7, "Report by the Commission on Security and Cooperation in Europe," is printed in *Human Rights in Cyprus, Greece, and Turkey*, pp. 82–98.]

short timetable for full return to democracy, and they are adhering to that timetable. We do not know and cannot know what the future holds for Turkey in many respects, but we do know one important fact. It will be a democracy with all that implies for human rights.

I would like to add, however, that that does not mean that governments and private citizens should in any sense be unwilling to make their human rights concerns known to the Turkish Government. Our security stake in Turkey, of course, is enormous but that should not blind us to human rights problems. Turkey is so important for our security not in spite of but partly because of the fact that it is a Western country, democratic in its tradition, with Western-style human rights practices.

I believe it is not an act of disrespect for Turkey to make human rights concerns known because when we do so we show our belief that Turkey has the same standards we do. This should be a second aspect of an intelligent human rights posture with respect to Turkey.

The third is perhaps the most important. The observance of human rights in Turkey depends on the Turkish Republic's continued allegiance to the tradition of its great founder, Ataturk. It was Ataturk who took the decisive steps in orienting Turkey toward the West. Ever since, this orientation has been the source of the specific human rights safeguards that made Turkey generally like the rest of the West. The commitment is to free elections and an independent judiciary, freedom of the press, and freedom of religion.

Turkey is a country that has committed itself to the West without reservation. This makes Turkey not just another example of a country where we have bases, but an important and precious example. It is important because the Western orientation of Ataturk has been questioned by extremists of the right and left during recent years.

Ataturk had rejected the opportunity to remain a Caliphate and he rejected the example offered by Moscow when the Soviet Union was the only ally of the young Turkish Republic. In recent years the extreme leftists and religious fundamentalists in Turkey wished to reconsider both those choices. If they were reconsidered it would not only be disastrous for Western interests, but also for human rights in Turkey.

In the case of Turkey, circumstances and unwise policy among those outside who care about freedom could put the essential allegiance to the West in doubt. Many decades ago, Turks chose the West, but they have sometimes felt the West rejected their very choice of the West. Such a feeling can only powerfully reinforce the dangers to human rights within Turkey. If, in properly emphasizing human rights concerns, we isolated Turkey from the Western human rights tradition, the result would be a tragedy.

Instead, the United States has sought to protect human rights in Turkey by frequent dialog with the Government of Turkey, by seeking to protect Turkey's place as a valued Western ally and by keeping Turkey closer to the West rather than pushing it further away.

The task of political modernization is complex and even, given the pressures in a country such as Turkey, dangerous, and transition to stable democratic practice is everywhere a great challenge. Turkey is and has for many years been engaged in this task. Its Government is now deeply committed to our shared Western values. We are proud to offer our assistance and encouragement to the Government of Turkey in its efforts.

Mr. Chairman, [7] that concludes my prepared remarks, and Mr. Fairbanks and I would be happy to entertain and try to answer any questions you may have for us.

MR. YATRON. Thank you very much, Secretary Abrams, for your statement. Mr. Secretary, in the March 24 *Congressional Record*, my good friend, the ranking minority member of the House Foreign Affairs Committee, Congressman Broomfield of Michigan made a statement regarding the persecution of ethnic minorities and the Greek Orthodox Ecumenical Patriarchate by the Turkish Government.

In this statement, which will be included in the record, Congressman Broomfield asserts that, and I quote, "The Turkish Government's reported disdain for the human rights of its Greek citizens is appalling. That same Government's harassment of the Patriarchate, in an obvious at-

[7] Representative Gus Yatron.

tempt to shut it down, is unacceptable. When my colleagues in this Chamber talk about human rights violations and freedom of religion, let them look east to Turkey, an important ally which is annually receiving millions of dollars in American economic and military aid." [8]

Now, Congressman Broomfield's vast foreign policy experience in this area clearly gives considerable weight to his remarks. I would appreciate it if you would comment on Mr. Broomfield's observations, specifically as to how it pertains to religious persecution and the Ecumenical Patriarchate in Turkey.

MR. ABRAMS. I would essentially disagree with the view as you have indicated Congressman Broomfield gave it. It is contrary to my impression of the situation of minorities in Turkey. I do want to make the point that the view that the situation is better than that is not an idiosyncratic view that only the administration holds.

The Commission on Security and Cooperation in Europe [CSCE] [9] did a staff report on Turkey. I think it is worth noting. It is the views of the staff and has not been voted on by the Commission but they looked into this question. Let me read a few lines of what they concluded.

The staff met with representatives of Greek, Turkish, and Armenian minorities in Istanbul, and on the whole had the impression that the rights and interests of these minorities are being respected by the Turkish authorities, and if anything, the situation might have improved slightly since the imposition of martial law. The Greek and Turkish representatives emphasized they felt more secure under martial law than they had before. [10]

The Greek representative stressed that the Greek community in Istanbul and the Greek Orthodox Patriarchate, contrary to the allegations made in the World Council of Churches' recent report of June 1982 had no concrete problems and—there is a lengthier section but my impression is there has been, in fact, a protection of the minorities in Turkey. I have spoken with some members of minorities who have said just that in private meetings where I think they would have spoken honestly to me.

I think one should say this, there has long been ethnic tension in Turkey as there has been in Greece and obviously Cyprus, and it would be a mistake to give the impression that there was not a significant amount of tension at times between the communities. But as to the question of whether the current regime, the martial law regime of General Evren has a notedly bad record on this, I would have to disagree on that point.

Is there anything you would like to add, Mr. Fairbanks?

MR. FAIRBANKS. No.

MR. YATRON. Mr. Secretary, would you comment on the Ecumenical Patriarchate? Are you aware that in the same statement Mr. Broomfield made, he said, "The present conditions under which the Patriarch exercises his duties and responsibilities are hard to envision. Here are a few reported examples. The Turks have suspended Patriarchal periodicals. The theological school has been closed." I will not read them all. There are many examples.

Are you aware of the fact that repairs and even painting or repairing bathrooms require a permit which the Turkish Government has not given them permission to make?

MR. ABRAMS. I was not aware of that particular claim. There has been some, what I would call petty harassment, on things like that. It was my impression that those questions were being worked out.

This is a recent statement by Congressman Broomfield, is that correct?

MR. YATRON. This appeared March 24, 1983.

MR. ABRAMS. That would indicate those have not been worked out if that is current information, but I was not aware those continued to be problems.

[Mr. Abrams subsequently submitted the following information:] [11]

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[8] See app. 2. [Footnote in the source text. Appendix 2, "Congressional Record Insert by Hon. William S. Broomfield, a Representative in Congress From the State of Michigan, Regarding the Greek Community in Turkey, March 23, 1983," is printed in *Human Rights in Cyprus, Greece, and Turkey*, pp. 66–67.]

[9] Brackets are in the source text.

[10] See app. 7 for text of full CSCE report. [Footnote in the source text.]

[11] Brackets are in the source text.

"Our Consulate General has reported that the Greek community newspaper is freely published and circulated in Istanbul—a fact which suggests that charges regarding 'difficulties in publishing periodicals' is erroneous. The problem of 'getting repairs made to church property' is among those matters which Greek Orthodox Church officials in Istanbul themselves have characterized as irritating bureaucratic problems, not 'official harassment.' In light of the close contacts our Consulate General officers maintain with the Patriarchate in Istanbul, we feel certain that, if the Greek Orthodox Church in Turkey were experiencing harassment by the Government of Turkey, church officials here would not hesitate to report it to us."

MR. YATRON. There are others, but it is in the record. In my view, I feel this is a set policy of continual religious persecution and harassment.

When you first appeared before our subcommittee under my chairmanship, you agreed there was certainly a connection between Project Democracy and human rights. Now, in principle I believe Project Democracy is a very refreshing initiative, but I have some reservations about its application.

How would Project Democracy apply to a country like Turkey which has not had stable democratic rule?

MR. ABRAMS. I think that is a very good point, Mr. Chairman. There are some countries which have had no experience with democracy at all where it is difficult to know how one would even go about addressing the issue.

There are, however, a large number of countries such as Greece and Turkey which we address today which have had both democratic periods and nondemocratic periods and which have significant democratic institutions.

One of the things it would be trying to do is strengthen those institutions. For example, in the case of the legal system we would certainly want to try to help maintain the independence of the judiciary, perhaps by exchange programs, sending, in the case of Turkey, Turkish judges to the United States, American judges to Turkey to try to inculcate a strong sense of the independence of the judiciary.

Similarly, with the press, we would want members of the Turkish press to come here and take a look at the way the American press operates freely. In the case of the legislature, I think this is also important that we have, I would argue, the most powerful independent legislature in the world, and it would certainly do a lot of good if Turkish legislators were able to come here and see the committee system operate, the way in which members of the executive branch for better or worse are hauled up before congressional committees.

These are the kind of programs I think could be very helpful because you do have a good deal to work within the dozens of countries that have significant democratic institutions that are trying to obtain a stable and lasting democracy.

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Document 254

Transcript of a Department of State Press Conference, Ankara, April 25, 1983 (Extracts) [12]

"Turkey Is a Very Good and Loyal Ally"

ASSISTANT SECRETARY BURT. Let me begin by telling you why I thought it would be useful for me to say something on-the-record. In Washington, of course, our Embassies report back to us what is happening in various countries and normally we get reports of what the press is writing. I think that some of the reports, not all of them of course, have not really reflected the real state of affairs in Washington, especially on the question of the Reagan administration's commitment to securing a substantial increase for Turkey in security assistance. I know, there have been stories suggesting that the administration has somehow shifted its position

[12] Source: Department of State files. The press conference was conducted for Turkish journalists by Assistant Secretary of State for European Affairs Richard Burt who was in Ankara for talks with Turkish Government officials.

on the 7 to 10 ratio. There have been other stories that have suggested that the administration has not been fully committed to seeking a full increase, that is the 755 million dollars within the fiscal year 1984 budget. There were even suggestions, I think, that there were officials absent at important congressional hearings where a good case could have been made for these increases. What I want to tell you here and now is that this administration is fully committed to making the best possible argument with the U.S. Congress for securing the full fiscal year 1984 security assistance request that we came forward with. I also want to remind you that the increase sought in security assistance for fiscal year 1984 for Turkey is the single largest increase of any country in the world, and I think that this is a fair reflection of this administration's priorities and commitments to helping the Turkish Government strengthen it's own strategic position in this part of the world. Frankly, I don't think that descriptions and articles have accurately described the time and trouble the American officials have taken to fulfill commitments we have made to the Turkish Government. I think that the Turkish Government understands that and I think that the Turkish people need to also understand that. I will be happy to answer your questions.

Q. There is a general idea that the administration has used Turkey for blackmailing Greece. How are you going to convince us that this is wrong?

A. I think a charge like that is totally preposterous. We don't use Turkey to blackmail Greece and we don't use Greece to blackmail Turkey. The security assistance requested for fiscal year 1984 did not come out of thin air. It reflects consultations that we have had underway with the Turkish Government for over 2 years. It reflects a careful planning process and it reflects the fact that we believe that the United States and Turkey share very important mutual interests and we are making the case for a substantial increase in aid for Turkey on the merits of the case, the need the Turkish military has on Turkey['s] geopolitical position, and the fact that we and the Turkish Government are working together to enhance the prospects for peace and stability in this part of the world. That's the real explanation, it's a complex explanation. It's not the easy explanation. It's been very easy to make these arguments, but it's not the truth.

Q. Which were the truths that the Reagan administration has used to lobby at the Congress for Turkey?

A. There is not one shred of truth in that charge. The story is based on a subcommittee hearing which had been called to discuss aid requests for Middle Eastern countries. There had already been a discussion for aid for Turkey. There had been an understanding between the chairman of that subcommittee and the U.S. State Department that the Turkish aid requested was not going to come up and was not going to be a subject. And, when Congressman Solarz raised the question of Turkish aid that was without the understanding of the subcommittee chairman, and without the understanding of the State Department. You can be sure that every time that we are aware that Turkish aid is going to be discussed in Congress we will have people there who can defend that request. Now, I have a number of responsibilities in my own personal job; I am responsible for the NATO alliance. I have to deal with Eastern Europe. I am responsible for relations with the Soviet Union. But, I have spent several hours every day personally, and with trips to Capitol Hill meeting with Senators and Congressmen. My colleagues in the Defense Department have also done the same and we have a team of people in the Reagan administration from several agencies who are working every day with a legislative plan to secure our fiscal year 1984 request.

Q. Do you mean to say that when this supplemental aid of 110 million dollars to Turkey was brought up it was not done by the committee chairman but it was done by Mr. Solarz?

A. It was done by Mr. Solarz and there was no prior warning whatsoever that he was going to raise it. It caught us totally by surprise. [13]

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[13] On April 19, 1983, the House Foreign Affairs Committee struck down the administration's request for the grant of $55 million in the Economic Support Fund and $65 million in the Foreign Military Sales program of loan guaranties for Turkey in the supplemental foreign assistance authorization bill for fiscal year 1983, because the administration did not make its case for an urgent supplemental with regard to these

Continued

Q. Can we get your opinion about the 7 to 10 ratio?

A. It's very simple. Our position has not changed. We don't accept or endorse the concept of 7 to 10 ratio. We don't accept or endorse any artificial ratios for making a security assistance decision. We think those decisions should be made on their own merits.

Q. But, the administration's request to increase the aid, the military aid to greece, is fitting the 7 to 10 ratio. How do you explain that?

A. I don't think in fact it is.

Q. Why not?

A. It really does not fit the 7 to 10 ratio.

Q. It's 500 million dollars this one and the other one is 715 million dollars. . . .[14]

A. Our request is 755 million, and in our request for Greece is 280 million. We will be prepared to add an additional amount for Greece up to 500 million dollars. If and when we succeed in achieving a successful base agreement. Our desire is not to base a security assistance request for Turkey on what Greece achieves or vice versa. Our desire is to accomplish a substantial increase this year in security assistance for Turkey, that is our primary goal.

Q. Do you believe that the Cyprus issue can be solved by intercommunal talks? What will be your stand in the United Nations?

A. We hope the intercommunal talks will result in progress on Cyprus. We see the intercommunal process as the best framework for making progress on the Cyprus problem. I can't anticipate what the U.S. position will be at the United Nations, because it's too early to speculate. But we believe and support the process of the intercommunal talks. In other words, we are opposed to "internationalizing" the Cyprus problem.

Q. How do you answer the congressional subcommittee's attitude? They are trying to link aid to Turkey to the solution of the Cyprus problem, and withdrawal of the Turkish troops from the island.[15]

A. We are opposed to any such linkage. That's our position.

Q. As the administration. . . .[16]

A. As an administration. I can only represent the administration. I would never take on my part to speak for the Congress. There are few people that brave.

. . . . . .

Q. There is a debate on buying some airplanes from the United States and it costs nearly 5 billion dollars and so Turkey expects some credit facilities from the United States. What is your point of view about this?

A. Our desire is to assist if we can in modernizing the Turkish Air Force. We hope we can assist. We think it's a legitimate requirement.

. . . . . .

Q. Mr. Assistant Secretary, according to some calculations, American, and I think official, Turkish Armed Forces need 18 billion dollars over 13 years to upgrade the material capability of the Turkish Armed Forces to minimum NATO standards?

A. Are you asking me if that is correct? I haven't seen those statistics. I think that the Turkish military does have very significant requirements, and I think it will be a very expensive program to meet those re-

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funds, according to Representatives Lee H. Hamilton and Stephen J. Solarz. See *Foreign Assistance Legislation for Fiscal Years 1984–85. Markup Before the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), Part 9, pp. 54–59.

[14] Ellipsis is in the source text.

[15] The Subcommittee on Europe and the Middle East of the House Foreign Affairs Committee recommended language in the foreign assistance bill for fiscal years 1984–1985 expressing concern with the continued occupation of Cyprus by Turkish troops and stating the special responsibility of Turkey to break the stalemate in the negotiation of a solution to the Cyprus situation. (*Foreign Assistance Legislation for Fiscal Years 1984–85. Hearings and Markup Before the Subcommittee on Europe and the Middle East of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), p. xix)

[16] Ellipsis is in the source text.

quirements and the United States wants to assist to the best of its ability.

Q. Under these circumstances congressional and other, what is your estimate? I mean, will that money be able to be raised?

A. As I have said before, we are confident that we can achieve a substantial increase for Turkey, and we hope to achieve it.

Q. What are the chances of the clause, if it sticks to the aid which ties the aid to withdrawal of foreign troops from Cyprus? What are the chances of this clause turning into a new embargo?

A. I am not going to speculate on what the Congress might do, but I can tell you that the Reagan administration will firmly, I want to underline "firmly", resist any move of that sort.

. . . . . .

Q. May I ask why you are opposed to a 7 to 10 ratio?

A. Well, for any number of reasons. For one thing, it's a ratio on security assistance, not of what is spent by the two countries for security. As you know, Greece is in a better position to purchase military equipment commercially than Turkey is. But, more importantly, what we base our decisions on are the requirements and the responsibilities as signed within the alliance. No two countries have the same requirements and responsibilities and those requirements and responsibilities change over time in view of the threat and any kind of artificial ratio, whatever that ratio is, is not a logical way to decide what the security assistance needs of any one country are. We are opposed to artificial ratios in principle, not simply between Greece and Turkey, but, around the world, because we do not believe that, particularly in a time when the United States itself faces serious budgetary pressures, it makes sense to base decisions on a ratio. [17]

Q. What are you planning to do to break down this ratio if the administration is so much against this ratio?

A. What we are planning to do is to work as vigorously as we possibly can to achieve the request that we have sent to the Hill for Turkey, and also to work and hopefully achieve a successful agreement with Athens. We are carrying out that program independently. There is no relationship between the two and there shouldn't be.

Q. But, the extra aid for Greece is completely conditional on a successful bases agreement. . . . [18]

A. That's exactly right.

Q. What is the administration's notion on a balance of power in the Aegean between Turkey and Greece?

A. I think the best way to answer that is that for me it is strange to discuss the concept of a balance of power between Greece and Turkey, because they are both members of the same alliance. So, it is an artificial concept. What is important is to think about the balance of power between NATO and the Warsaw Pact. That's where the alliance faces a threat and we forget that there has been a systematic, unprovoked military buildup by the Soviet Union that threatens every country in the alliance. One of the most formidable aspects of that military buildup are SS-20 missiles which can strike Turkey in 15 minutes deployed east of the Urals. This is a serious threat, and only the alliance working together can solve it. We hope to solve it through a successful arms control negotiation in Geneva, but if we don't solve it, we will begin deployment at the end of the year of U.S. missiles. So that Western security can be protected against this unprovoked military buildup.

. . . . . .

[17] Burt's remarks on the administration's opposition to the 7 to 10 ratio of U.S. defense assistance to Greece and Turkey reportedly led the Greek Government to downgrade and consequently Burt to cancel his planned 2-day visit to Athens scheduled to begin on April 25, 1983. (*The Times* (London), April 26, 1983, p. 6) At the Department of State Daily Press Briefing on April 26, 1983, Department of State Acting Spokesman Alan D. Romberg said that since Burt's "statements in no way departed from well-known U.S. positions, the reason for that [Greek] action is not really clear to us." (Transcript of the Department of State Daily Press Briefing, April 26, 1983, Office of Press Relations, Department of State)

[18] Ellipsis is in the source text.

Q. What is the ratio of Turkey drawing more danger because of making available to the United States the ten airfields to be modernized in Turkey, especially the ones in eastern Anatolia?

BURT. I question the basic assumption of your question that somehow U.S.-Turkish defense cooperation increases danger to Turkey. I think U.S.-Turkish security cooperation lessens the danger. I think that is why Turkey is a member of the NATO alliance. There is more security and cooperation than by a country standing alone. So, I reject the premise. We don't ask for security assistance for Turkey to achieve our demands. We see security benefits in a strong, stable, secure Turkey in and of itself. It's not for us to define Turkey's security role. That's up to Turkey. That's up to the Turkish Government and its leadership.

. . . . . .

Q. Of the negotiations between The United States and Greece, Papandreou asked [for] a guarantee from the United States against Turkey. But, after he understood that he wouldn't be able to get a guarantee as a letter or anything he said, strengthening Greece in military ways would be a guarantee for Greece against Turkey. So, the administration has strengthened Greece. Does it mean a guarantee to Greece?

BURT. Of course, it does not. We do not guarantee one ally against another. A very simple position. Allies do not need guarantees.

Q. If this 7 to 10 ratio holds, let us assume Turkey decides that it will limit her responsibilities in the common defense and its contribution to the common defense with the same ratio. Would it be a very big surprise in Washington?

BURT. Well, again, you are asking me a hypothetical question. I think we would regret any such decision by Turkey, but that decision is Turkey's to make.

Q. Did you have a feeling that might happen while speaking with Turkish officials?

BURT. Absolutely not. No one made any such suggestion. I found full Turkish support for fulfilling Turkey's role in the alliance completely.

Q. How was the general feeling of the. . . .[19]

BURT. Let me say something. Turkey is a very good and loyal ally. Make no mistake about it. A very good and loyal ally. And it always has been a good and loyal ally; we understand that.

. . . . . .

Q. I think, the Carter administration also tried that [effort to improve relations with Turkey] very hard. They lifted the embargo finally.[20] But, they waited for troop withdrawals from Cyprus and it was done intermittently until somehow, somewhere they had to stop. So, now when there are new suggestions coming from the Congress, you must understand the Turkish sensibilities over that.

BURT. We do understand. That's one reason why I am here. This is one reason why we work so hard, and I spend so much time and other members of the administration spend so much time. We are actually trying to strengthen that relationship and to work on the Congress, and to make the best possible arguments which can be made. Why, it's in the U.S. interest to have a healthy robust relationship with Turkey. You don't have to convince me of that.

Q. Does the United States have any scheme or whatever to bring Turkey and Greece together?

BURT. I think it would be presumptuous of the United States to suggest that they can solve a very complex, complicated problem. We want to see a better relationship emerge. But, that is really in the final analysis up to the Governments of Ankara and Athens.

Q. Does the administration plan to propose a proposal for Cyprus?

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[19] Ellipsis is in the source text.

[20] The embargo on U.S. supply of defense articles to Turkey which was imposed on February 5, 1975, was partially lifted on June 30, 1976, and completely lifted on September 26, 1978; see Committee on Foreign Affairs and Committee on Foreign Relations, *Legislation on Foreign Relations Through 1983*, Joint Committee Print (Washington, 1984), vol. I, pp. 151 and 305–306.

BURT. There is no American initiative waiting in the wings. We think, I think I told your colleague to your right, that the intercommunal framework should be given a chance. We hope that the talks continue and that some progress will be made.

Document 255

Statement by President Reagan, Rancho del Cielo, California, May 7, 1983 [21]

Support For Parliamentary Elections in Turkey

When the military took power in Turkey under conditions of near anarchy in 1980, they committed themselves to restoring democratic government as soon as possible. The United States welcomed the timetable they set for carrying out that promise, and we have expressed our support for each step along the way. I warmly welcome President Evren's recent announcement that parliamentary elections will be held on November 6, [22] thus completing the process of restoring democracy. I congratulate the Turkish people for this remarkable achievement and assure them of the continued support and friendship of the U.S. Government and people.

[21] Source: White House Press Release, May 7, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, May 16, 1983, p. 677. President Reagan visited Rancho del Cielo, May 7–8, during a trip to Texas, Arizona, California, and Ohio, May 5–9, 1983.

[22] President Kenan Evren of Turkey announced on April 29, 1983, that a general election for the Turkish Grand National Assembly would be held on November 6, 1983.

Document 256

Transcript of the Department of State Daily Press Briefing, May 11, 1983 (Extract) [23]

Opposition To Making Foreign Aid Contingent Upon Removal of Troops From Cyprus

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Q. Alan, do you have any comment on the House Foreign Affairs Committee vote on military aid to Turkey tied to the Cyprus question?

. . . . . .

A. The administration is strongly opposed to the House Foreign Affairs Committee vote to embargo assistance to either Turkey or Greece in FY–1987 if either country has more troops in Cyprus than allowed by the 1959 treaty. [24] Security assistance funding is provided to help these allies meet their NATO commitments and should not be used as leverage in other situations. We understand that the committee voted this morning for a revised amendment that would permit continued security assistance to Turkey

[23] Source: Office of Press Relations, Department of State. Alan Romberg, Department of State Acting Spokesman, conducted the briefing which began at 12:18 p.m.

[24] Article I of Protocol No. 1 to the 1959 Treaty of Alliance, signed by representatives of Cyprus, Greece, and Turkey at Nicosia, August 16, 1960, allowed for 950 Greek and 650 Turkish troops at Tripartite Headquarters in Cyprus. (397 UNTS 291) The amendment offered by Representative Gus Yatron to the foreign assistance authorization bill, and agreed to by a vote of 14 to 13 of the House Foreign Affairs Committee on May 10, 1983, stated that after fiscal year 1986 no military assistance would be provided to Greece or Turkey if the military forces of that country exceeded those permitted by the 1959 Treaty of Alliance; for text of the amendment, see *Foreign Assistance Legislation for Fiscal Years 1984–85: Markup Before the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), Part 9, p. 242.

for NATO-related purposes.[25] We find this a helpful development.

We also oppose the $715 million limit that the committee approved on a subcommittee's recommendation.[26] We had requested $525 million in guaranteed loan financing and $230 million of grant military funds for Turkey for FY 1984, a total of $755 million, and hope to see the original level restored.[27]

We note that both actions were taken in a very close—14 to 13—vote.

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Document 257

Statement by President Reagan, July 28, 1983[28]

Terrorist Attacks Against Turkish Diplomats and Others

Yesterday's attack in Lisbon on the residence of the Turkish Ambassador to Portugal was only the latest in a series of brutal and increasingly indiscriminate terrorist attacks against Turkish diplomats and other innocent civilians. In yesterday's attack, for which the Revolutionary Armenian Army claims responsibility, the wife of a senior Turkish diplomat was killed and a young child was seriously wounded. Only 2 weeks earlier, a Turkish diplomat was murdered outside his home in Brussels, and one day later seven other individuals were killed as they waited to board a Turkish airliner in Paris. No real or imagined grievance could possibly justify these modern day horrors.

On behalf of the people and Government of the United States, I extend the deepest sympathy to the Turkish Government and to the families of the victims of this attack. But more than sympathy is required. This senseless violence must cease. To that end, I will be speaking to other heads of state in the days ahead regarding urgent and more effective cooperative measures to eliminate from the civilized community such barbaric and inhuman acts.

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[25] The amendment offered by Representative Lee H. Hamilton to the foreign assistance bill, and agreed to by voice vote of the House Foreign Affairs Committee on May 11, 1983, stated that after fiscal year 1986 no military assistance, other than to enable Greece or Turkey to carry out their NATO obligations, would be provided to Greece or Turkey if the military forces of that country on Cyprus exceeded those permitted by the 1959 Treaty of Alliance; for the text of the Hamilton amendment, see *ibid.*, pp. 297–298. The Hamilton amendment was included in H.R. 2992, 98th Congress, introduced by Representative Clement J. Zablocki, and reported favorably by the House Foreign Affairs Committee by a vote of 38 to 7 on May 12, 1983; for text of H.R. 2992, see *ibid.*, pp. 505–611. For the text of the House Foreign Affairs Committee's report on H.R. 2992, see H. Rept. 98–192, May 17, 1983. No further action was taken on this legislation.

[26] The $715 million recommended by the Subcommittee on Europe and the Middle East and by the House Foreign Affairs Committee in military assistance for Turkey for fiscal year 1984 consisted of $230 million in grant military aid and $485 million in foreign military sales loan guarantees; see *ibid.*, pp. 17 and 26.

[27] P.L. 98–151, approved November 14, 1983, further continuing appropriations for fiscal year 1984, left it up to the administration to make country allocations, excepting Egypt, Israel, and El Salvador, in Foreign Military Sales Credits and the Military Assistance Program up to the budget request level. (97 Stat. 966) Since the overall amount appropriated for these two programs was below the budget request, not every country would be able to receive the full amount requested; see H. Rept. 98–540, November 12, 1983, p. 15. The managers of the committee of conference on this legislation directed that "the traditional seven to ten ratio be adhered to in regard to military assistance programs for Greece and Turkey." (*Ibid.*, p. 16) The administration's estimated allocations corresponded with the House Foreign Affairs Committee's recommendations mentioned above. (*Foreign Assistance and Related Programs Appropriations for 1985: Hearings Before a Subcommittee of the Committee on Appropriations, House of Representatives, Ninety-eighth Congress, Second Session* (Washington, 1984), Part 2, p. 1549)

[28] Source: White House Press Release, July 28, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, August 1, 1983, p. 1063.

Document 258

Message From President Reagan to Prime Minister-Designate Özal of Turkey, Undated [29]

Close and Productive Bilateral Relationship With Turkey

DEAR MR. PRIME MINISTER: On behalf of the American people, I wish to extend to you my congratulations on your electoral victory.[30] The deep commitment of the Turkish people to democracy and their hopes for economic and social progress are evident in their choice of leadership in the difficult years ahead. As you assume your responsibilities, you may be assured of the full support and cooperation of my government. We are firmly dedicated to fostering our already close and productive bilateral relationship and improving it even further.

[RONALD REAGAN]

Document 259

Report by the Department of State, February 1984 (Extract) [31]

Country Report on Human Rights Practices in Turkey for 1983

In December 1983, a new civilian parliamentary government took office in Turkey. Before then, Turkey was ruled by the military government which took power at the time of the coup on September 12, 1980, ending a period of violence from both the extreme right and extreme left. Turkey is still under martial law, which at the time of the military takeover was extended to the entire nation.

During the course of 1983, a number of significant developments affected the human rights situation in Turkey. Among the most important were the advent of a civilian parliamentary government and the partial restoration of freedom of political expression. Ultimate power during most of 1983 had been held by the five-member National Security Council, composed of the Chief of the Turkish General Staff and the heads of the armed services.[32] The government was administered by a Prime Minister (a retired Admiral)[33] and a civilian Council of Ministers. In October 1981, the Council, under Head of State General Evren, established a civilian Consultative Assembly, whose function was to draft a new Constitution for the nation and to serve as a legislative body. In a national referendum in November 1982, 91 percent of the voters approved the Constitution and endorsed General Evren as President of the Republic for a 7-year term. He was the only candidate.

The Consultative Assembly, prior to going into permanent recess on October 15, 1983, drafted a new political parties law, a new elections law, new labor laws, and a new associations law. All of these were subject to review and revision by the National Security Council before they came into effect.

On December 9 [6], 1983, the military government stepped down after the November elections gave Turgut Özal's Motherland Party, which was not endorsed by the military government, a parliamentary majority. Özal's cabinet is made up entirely of civilian members of his party.

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[29] Source: Foreign Broadcast Information Service, *Daily Report: Western Europe*, December 12, 1983, p. T4. The message was made public on December 10, 1983.

[30] Turgut Özal's Motherland Party won a majority of seats in the elections for the Turkish Grand National Assembly on November 6, 1983. President Evren asked Özal to form a government on December 7, and it took office on December 13, 1983.

[31] Source: *Country Reports on Human Rights Practices for 1983: Report Submitted to the Committee on Foreign Affairs, U.S. House of Representatives and the Committee on Foreign Relations, U.S. Senate, by the Department of State in Accordance With Sections 116(d) and 502B(b) of the Foreign Assistance Act of 1961, as Amended*, Joint Committee Print, 98th Congress, Second Session (Washington, 1984), pp. 1106–1107. For full text of the country report on Turkey, see *ibid.*, pp. 1106–1122.

[32] The Turkish National Security Council consisted of President and National Security Council Chairman Kenan Evren and members, Chief of the General Staff General Nurettin Ersin, Air Force Commander General Tahsin Sahinkaya, Naval Forces Commander Admiral Nejat Tumer, and Gendarmerie Commander General Sedat Celasun.

[33] Vice Admiral Bülent Ülüsü.

Under the military government, abuses of human rights due to terrorist activity, and political and religious violence were substantially reduced. While nearly 33,000 acts of political and religious violence occurred between December 1978 and the September 1980 military takeover, in the three years since that time fewer than 7,500 violent acts have occurred, and the number has continued to drop substantially each year. The martial law authorities had—and still have under martial law which will remain in effect for at least the next few months—the right to censor the media, to limit political expression, including the right to assemble, and to restrict trade union activities. They also have the power to search and arrest without warrants and to try suspects in martial law courts.

The Council, in keeping with its timetable for ending of military rule which was announced two years ago, permitted the reestablishment of political parties and the holding of the election which brought into being both a new parliament and a new civilian government. The Turkish military and the political parties contesting the elections have commented that the transition to full democracy is not yet complete.

The range of political alternatives represented in the parties allowed to contest the elections was severely limited under rules which generally applied only to the 1983 election. Using its power to veto party founders and candidates, the military government limited the parties eligible to participate in the election to three. Several major parties were prevented from meeting the requirements for participation in the parliamentary elections, although they subsequently were qualified and will participate in the upcoming local elections.

As part of the process of legalizing parties and holding an election campaign, limits on freedom of political expression were relaxed in the spring of 1983. Although well-defined limits remain on what may or may not be discussed, politicians and the press have had considerably more leeway to discuss political issues and personalities than in the previous two and one half years of military rule. Those who overstepped the limits, however, continued to face arrest, and newspapers faced the threat of being shut down.

The Government of Turkey has acknowledged that there have been cases of torture of those arrested under martial law. Complaints of torture continued to be filed by prisoners in 1983. In 1983 a number of security officials were investigated, brought to trial, convicted and given stiff sentences for torturing prisoners. Since 1980 there has apparently been a decline in the number of complaints of torture and an increase in the number of convictions, although the available data are not sufficiently detailed to determine their precise significance.

Turkish military forces continue to be present in Northern Cyprus as a result of the 1974 Turkish military intervention there. Their role in the human rights situation there is addressed in the report relating to Cyprus. [34]

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L. United Kingdom

Document 260

Remarks by President Reagan and Queen Elizabeth II, San Francisco, March 3, 1983 [1]

U.S.–U.K. Friendship, Freedom, and Unity

THE PRESIDENT. Your Majesty, Your Royal Highness, ladies and gentlemen. Your Majesty, I welcome you this evening on behalf of the American people, and in particular, on behalf of the people of my

[34] For text of the Department of State country report on human rights practices in Cyprus for 1983, see *Country Reports on Human Rights Practices for 1983*, pp. 951–956.

[1] Source: White House Press Release, March 3, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, March 14, 1983, pp. 333–335. The remarks were made during an exchange of toasts at the De Young Museum at 10:36 p.m. Queen Elizabeth II and Prince Philip, Duke of Edinburgh, were in the United States (California and Washington) on an official visit from February 26 to March 7, 1983.

home State of California. (Applause) We're honored by your presence in our country and in this State.

It's fitting that this evening's banquet should be held in this place and in this city. The De Young Museum is one of America's great cultural landmarks. And thanks to Her Majesty's graciousness, we will soon have Leonardo da Vinci's horse drawings, some 50 of them, from the Royal Library of Windsor Castle that will be touring the United States. (Applause) From November 1985 through February of 1986 they will be on view in the California Palace of the Legion of Honor. And the tour was organized by the Fine Arts Museums of San Francisco, the National Gallery of Art of Washington, and the Art Institute of Chicago.

That particular tour and this cultural landmark that we're in tonight reflect the diversity of our people who have built a unique nation from many cultures on the firm foundations of democracy and law which, in large measure, we inherited from Britain. It represents a dedication we share with our British cousins: The peaceful furtherance of art and science for the enrichment and progress of all mankind.

It's also appropriate to recall that, in a special way, San Francisco, which has become home to so many different people, represents the culmination of our nations' great wartime alliance. Of course, the local links to great Great Britain go back much further. One of the first titled tourists to visit this area, Sir Francis Drake, arrived long before the city did. Not only was there no room at the inn, there was no inn. (Laughter) But its greatest hours came centuries later. In August of 1941, President Roosevelt and Prime Minister Churchill set down in the Atlantic Charter their hope "to see established a peace which will afford to all nations the means of dwelling in safety within their own boundaries and which will afford assurance that all the men in all the lands may live out their lives in freedom from fear and want."

And almost 4 years later in this city, America, Britain and 44 other nations formed the United Nations Organization as a means of putting those great principles of the Atlantic Charter into practice.

Unhappily, subsequent events have continued to put our values and our ideals to the test. We have seen continued war, terrorism, and human oppression in too many quarters of the globe. We are challenged to restrain and reduce the destructive power of nuclear weapons. Yet, we must maintain our strength in the face of the enormous military buildup of our adversaries. And, nationally and internationally, we face the challenge of restimulating economic growth and development without rekindling inflation.

All this, we can do. We will find the strength to meet these dangers and face these challenges because it beats within the hearts of free societies and free men. We need only look about us for inspiration. This beautiful city and this great State testify to the power and the vision of free men inspired by the ideals and dedication to liberty of John Locke, Thomas Jefferson, John Stuart Mill, and Abraham Lincoln.

In the words of a great American and warm friend of Britain, Franklin Roosevelt: "The only limit to our realization of tomorrow will be our doubts of today. Let us move forward with strong and active faith."

And ladies and gentlemen, happily and conscious of the honor that is ours tonight, I ask you to join me in a toast to Her Majesty the Queen.

To the Queen.

(A toast is offered; applause)

THE QUEEN. Mr. President, thank you for the very kind things you have said tonight. It is only 9 months since we had the great pleasure of having you and Mrs. Reagan stay with us at Windsor. Now, we have had the memorable experience of visiting you in your home State of California and of seeing your ranch at Santa Barbara. I knew before we came that we have exported many of our traditions to the United States. But I had not realized before that weather was one of them. (Laughter, applause) But, Mr. President, if the climate has been cool, your welcome and that of the American people have been wonderfully warm. We are very grateful for your charming hospitality and for the generous reception we have had everywhere since our arrival in California last week.

The past few days have been a vivid and sometimes poignant reminder of the human drama and achievement which ac-

count for the greatness of America today. We have seen some magnificent technological achievements: the space shuttle which has begun to turn the adventure of space exploration into the equally adventurous but more tangible reality of scheduled space travel; Silicon Valley which has brought the world of yesterday's science fiction into today's home, office and classroom, and into Buckingham Palace, too. (Laughter)

This image of the United States at the forefront of technological invention is one of which you are rightly proud as we are proud of our continued inventiveness in an era of pressing competition. But the miracle of the space shuttle or of the silicon chip lies not in the wizardry of electronics, but in the genius and shared dedicated determination of men and women. That is what speaks loudest in California.

I think of the families who struggled against impossible odds leaving their dead in places whose names still bear witness to their desperation to make their way to the West Coast. In today's prosperity, their fortitude is often overlooked. But it is their character and courage which have permeated each succeeding generation.

I have seen that courage at work for myself this week as many Californian families have coped with the hardship brought by the storms and tornado which have hit this State so hard.

Prince Philip and I made a memorable visit to your country in 1976 to share with so many Americans in celebration of your bicentenary. Nineteen eighty-three marks another bicentenary—the signing of the Treaty of Paris, formally bringing the War of Independence to an end.

Two years before that, British troops had marched to surrender at Yorktown to the tune of "The World Turned Upside Down." So it must have seemed to men at that time. But what would our world, 200 years later, be like if theirs had not been turned upside down?

Since then, the hand of friendship has reached out from your shores and ours at critical periods in our history to ensure not just our own survival but the survival of freedom itself.

In 1939, my father was the first reigning British sovereign to visit America and he and President Roosevelt talked long and earnestly about the coming crisis. At the end of their visit, Mrs. Roosevelt wrote that "in time of danger," as she put it, "something deeper comes to the surface and the British and we stand firmly together with confidence in our common heritage and ideas."

By far the most important idea which we share is our belief in freedom, as you made clear in your speech at Westminster last year. [2] It is an idea whose power is such that some men will go to a great length to suppress it as others will to keep it alive, as our two countries have fought to keep it alive.

We are deeply grateful for the unstinting contribution of the United States to the maintenance of the Western alliance. For our part, no one who knows the British and their history could have any doubt about our steadfastness as an ally or our willingness to stand up in defense of the values which we all hold dear.

I say that not to strike a solemn note but to state a simple truth. We have had a visit which has been spectacular and has fulfilled a longstanding ambition on my part to visit California on the West Coast. What better time than when the President is a Californian. (Laughter)

We have enjoyed ourselves and greatly appreciate the warmth of your hospitality. What will remain afterwards is more significant, the cementing of a relationship. From time to time, friendships must be publicly reaffirmed. My visit has given me the opportunity to reaffirm the ideals which we share and the affection that exists between our peoples without which the formalities of alliance would be meaningless but from the certainty of which our two countries continue to draw strength.

Mr. President, I raise my glass to you and to Mrs. Reagan, to the friendship between our two countries, to the people of California and to the people of the United States.

(Toasts were exchanged; applause)

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[2] Reference is to President Reagan's June 8, 1982 speech before Members of Parliament in the Royal Gallery at the Palace of Westminster. For text, see *American Foreign Policy: Current Documents, 1982*, p. 14.

Document 261

Statement by President Reagan, March 17, 1983 [3]

"We Cannot Remain Indifferent to the Tragedy That Confronts the People of Northern Ireland"

For those of us whose ancestors come from Ireland and for those of us who share the spirit of Irish humor, hard work, and spiritual faith, St. Patrick's Day is a time of grateful celebration and much happiness.

Today is a time to honor and celebrate the enormous contribution to American life made by Irish immigrants. As frontiersmen in the American colonies and citizen soldiers in Washington's army, they helped found our Republic. Their ingenuity and effort built our economy, added to our spiritual values, and enriched our literature. Their humor enriches life's happy moments and makes life's setbacks more bearable.

And yet our joy is tempered by the tragedy that divides neighbor from neighbor in Northern Ireland. We deeply regret that some would use this day to enlist support for more violence and conflict on that small island which is so much in our hearts today. We cannot remain indifferent to the tragedy that confronts the people of Northern Ireland and which affects the Republic of Ireland, Britain, and their friends in the United States. Those who advocate or engage in violence and terrorism should find no welcome in the United States.

We condemn all such acts and oppose the forces of discord in Northern Ireland, which obstruct the process of reconciliation so essential for peace. We ask all Americans to refrain from supporting, with financial or other aid, organizations involved directly or indirectly in perpetuating violence. And we urge that those Americans—and there are many—who wish to help, lend their support and contributions to legitimate groups and organizations which work to promote reconciliation and economic cooperation.

The United States Government continues to take specific actions to hasten an end to this violence and discord by:

—discouraging Americans from contributing to organizations engaged in violence;

—arresting and prosecuting those engaged in the illegal export of arms to those groups;

—confiscating weapons intended for terrorists.

Next to peace and reconciliation, Northern Ireland's greatest need is for jobs to bring hope and opportunity to all its people, especially the young. American companies which have invested in Northern Ireland already employ a significant percentage of its industrial work force, making a real contribution to its well-being. This administration will continue to encourage private investment in and the creation of more job opportunities in both Northern Ireland and the Republic.

We recognize that it is not for the United States to chart a course for the people of Northern Ireland, but we do have an obligation to urge our long-time friends in that part of the world to seek reconciliation between the two traditions in Northern Ireland and accommodation through democratic means. Durable, equitable solutions and peace cannot be imposed by outsiders, however well-meaning. Our role, accordingly, is to support efforts by the people and governments directly involved.

So, on St. Patrick's Day 1983, let us all celebrate our Irish heritage in fine style. But let us also remember those in Northern Ireland for which 1983 is one more year of terrorism and dim economic prospects—and let us rededicate ourselves to helping to bring these twin evils to an end.

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[3] Source: *Weekly Compilation of Presidential Documents*, March 21, 1983, pp. 412-413.

Document 262

Statements by President Reagan and British Prime Minister Thatcher, September 29, 1983 [4]

U.S.–U.K. Relations

THE PRESIDENT. I have had the pleasure of cordial and productive discussions with Prime Minister Thatcher on a wide range of mutual interests and concerns. Our conversations reflected the superb relations that exist between our two countries, and our determination to broaden our cooperation and consultation.

We reaffirm today our resolve to maintain a strong Western defense to protect freedom and maintain peace. We'll carry out our commitments to the alliance, moving forward in the modernization of NATO's conventional and nuclear deterrent. At the same time, I have pledged America's best efforts to reach acceptable agreements on arms reduction with the Soviet Union.

The Prime Minister informed me of what her Government is doing to prepare for the scheduled deployment of cruise missiles should we fail to reach an agreement with the Soviets. I expressed the thanks of the American people to the Prime Minister for Britain's strong unequivocal support on this vital issue.

We also discussed development in the Middle East, especially the situation in Lebanon, where both our countries are participating in a peacekeeping force. We agree that the solution to that tragic conflict can only come from the Lebanese themselves, free from all foreign interference. I have reviewed with the Prime Minister U.S. efforts to engage all Lebanese factions in a constructive dialogue toward the goal of withdrawing all foreign forces from their country and reestablishing the rule of peace and law.

Prime Minister Thatcher and I also discussed developments in this hemisphere. I explained our energetic efforts to end the violence that plagues Central America and to promote democracy and economic development in that region.

In our discussion of economic matters, we reaffirmed the course set out at the Williamsburg summit as the best blueprint to sustain economic recovery and counter protectionism. We agreed on the need for continued close consultations as a means of resolving any differences between us in matters of trade and commerce.

Prime Minister Thatcher, we're grateful for your visit, your friendship, especially as this month marks the 200th anniversary of the signing of the Treaty of Paris, which made us friends instead of countrymen. When you finish speaking here, we can go over and look at that Treaty of Paris.

PRIME MINISTER THATCHER. Thank you very much. Mr. President, ladies and gentlemen, today's visit has been a very important one. I have had just about 2 hours of talks with the President on the many things which he has indicated, all of them which is extremely vital for the future of our peoples in our several countries.

I have also seen, early this morning, Secretary Regan, when we discussed economic matters and, in particular, the problems of unitary taxation. I saw, too, Mr. Volcker, because naturally, we are all concerned that the great international debt position should find a solution which enables trade to continue, and those countries to come out of their grievous debt problems.

The President and I started first, as he has indicated, on East–West relations. I think I can put our position like this. We both believe in defending our way of life, and we must do that to keep that way of life secure. But our purpose in having military strength is entirely defensive to defend our way of life. We would like to be able to have that security at a lower cost in expenditure and in men.

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[4] Source: White House Press Release, September 29, 1983. Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, October 3, 1983, pp. 1358-1359. The remarks were made by President Reagan and Prime Minister Thatcher at the Diplomatic Entrance of the White House upon the departure of the Prime Minister at 1:33 p.m. The Prime Minister arrived in the United States on September 28. On September 29, she met with President Reagan in the early morning and again during a working luncheon with British and American officials in the afternoon; the Prime Minister met with Vice President and Mrs. Bush. The following day, Prime Minister Thatcher departed from the United States.

In order to achieve that lower cost, we have seriously and continuously to negotiate with the Soviet Union to try to get a balance in men, materials, weapons, and in nuclear strength. If we can achieve that, we can keep our security at a lower expenditure.

It takes two to negotiate, and the President has constantly put forward detailed proposals to the Soviet Union. Such is the anxiety of the West genuinely to negotiate disarmament reductions. He has put forward the latest proposals. Mr. Andropov has replied. [5] I hope now that the proposals will be seriously discussed by the Soviet Union at the negotiating table. If they are not successful in reaching zero option, the cruise and Pershing missiles will be deployed by the end of this year. Our nerve is being tested; we must not falter now. That should not be the end of the negotiations. I hope, and it is my earnest belief, that they should continue so that although we were not able to negotiate zero option, we should be able to negotiate the deployment of a lesser number of weapons than the full total, provided, again, the Soviets will genuinely negotiate on balance.

We have also discussed, as the President indicated, the Middle East, and we're very conscious that although all eyes are focused on the Lebanon, the fundamental problem of the Middle East, a secure Israel and a legitimate deal for the Palestinian people, has still to be resolved.

I have pointed out to the President, we support his Central American policy, and particularly, the most excellent strategic view he gave of it during his very famous speech in April, [6] and we are constantly pointing out that of the aid which the United States gives to Central America, 75 cents out of every dollar goes to civil aid, and that is a record to be proud of.

We've also had a word about Belize, and I, naturally, as you would understand, have made my views known about arms to Argentina. I discussed with Secretary Regan this morning and again at lunch the wider issues affecting the economy and the importance of trying to secure lower interest rates so that we can get a full recovery in the world which would be to the benefit of the United States, and also to the peoples of the underdeveloped countries.

If I may sum up, altogether this has been another chapter in the close discussion, consultation and similar beliefs in shared ideals between the United States and Britain. Against that background, it's not surprising that we find common views and we pursue them with common purpose in the wider world.

Thank you very much.

Document 263

Transcript of an Interview With the Secretary of Defense (Weinberger), Montebello, Canada, October 28, 1983 (Extract) [7]

U.S.–U.K. Relations and the Grenada Invasion

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Q. There is criticism coming from Europe of our actions in Grenada, particularly from England, where our missiles are going to be deployed. There seems to be concern about who is going to have the fingers on the new missiles that will be deployed, is it a trigger-happy President of the United States? What's your reaction to that criticism?

A. Well, that criticism was made a long time ago and the British and we have both answered it, that there is a perfectly acceptable, workable agreement that we have with England, with respect to the release of nuclear weapons. I believe that argument was pretty well laid to rest.

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[5] Reference presumably is to President Reagan's speech to the U.N. General Assembly on September 26, 1983; see document 4. Chairman Andropov's response can be found in *Current Digest of the Soviet Press*, October 26, 1983, pp. 1–4.

[6] See document 623.

[7] Source: *Public Statements of Secretary of Defense Weinberger, 1983*. David Hartman interviewed Secretary Weinberger at 7:20 a.m. for the ABC television program, "Good Morning America." Weinberger was in Montebello to represent the United States in the NATO Defense Ministers October 27–28 meeting.

Q. Many are suggesting that with Prime Minister Thatcher ahead of time suggesting we not invade Grenada or take part in this action in some way, that we did not accept this advice from the British Prime Minister when this was one of their colonies in years past. Why did we not accept her advice in this case, Mr. Weinberger?

A. Well, the main problem was that we had two things as the President mentioned last night. We had a thousand American citizens and there were a number of other nationalities there whose safety we had every reason, I think, to fear for. We also had an urgent invitation, or an urgent plea really, from all the neighboring nations that regard themselves as sort of one island chain. We felt that there was no way that we could ignore either that urgent request for help in what was clearly a very major threatening situation for them and what was clearly a major threatening situation for our own citizens and those of many others. We thought we really had no choice at all but we understood that from a distance other nations would think that this was something that was rather strong action. I've found here, only in private conversations, and I certainly wouldn't want to quote anybody, very clear understanding from among the Defense Ministers and a lot of private support.

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K. West Germany

Document 264

Proclamation by President Reagan, January 20, 1983 [1]

Tricentennial Anniversary Year of German Settlement in America

On October 6, 1683, a group of 13 Mennonite families, coming from the city of Krefeld, now in the Federal Republic of Germany, founded Germantown, Pennsylvania, today a suburb of Philadelphia. Since then, more than 7 million German immigrants have entered the United States and made extraordinary human, economic, political, social, and cultural contributions to the growth and success of our great country.

Today there are more than 60 million Americans of German descent, a number about equal to the total population of the Federal Republic of Germany. More Americans claim German ancestry than any other nationality.

During my address to the Bundestag in Bonn in June of last year, [2] I spoke of the importance which the United States attaches to the Tricentennial year of 1983 commemorating German settlement in America. Despite the legacy of 2 world wars which found us on opposing sides, West Germany and the United States have forged an exceptionally close relationship during the past 3 decades. The success of the Marshall Plan, the Berlin Airlift, and the ensuing NATO partnership have led to a recognition of our common democratic ideals and joint interest in Western economic and political strength.

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[1] Source: White House Press Release, January 20, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, January 24, 1983, p. 84. This proclamation, number 5014, was filed with the Office of the Federal Register at 10:36 a.m. on January 21, 1983.

[2] For text of Reagan's June 9, 1982, address, see *American Foreign Policy: Current Documents, 1982*, p. 481.

Throughout 1983 there will be numerous activities and observances to celebrate the Tricentennial. President Karl Carstens has accepted my invitation to attend the culminating event in Philadelphia next October. [3]

The Congress, by Senate Joint Resolution 260, [4] has designated 1983 as the "Tricentennial Anniversary Year of German Settlement in America" and has authorized and requested the President to issue a proclamation in observance of that year. By the same Resolution, the Congress established the Presidential commission for the German-American Tricentennial to plan, encourage, develop and coordinate the commemoration of this historic event.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby proclaim the year commencing on January 1, 1983, as the Tricentennial Anniversary Year of German Settlement in America, and urge all Americans to observe the year with appropriate ceremonies and activities.

IN WITNESS WHEREOF, I have hereunto set my hand this twentieth day of January, in the year of our Lord nineteen hundred and eighty-three, and of the Independence of the United States of America the two hundred and seventh.

RONALD REAGAN

Document 265

Editorial Note

West German Foreign Minister Hans-Dietrich Genscher made an official visit to Washington, January 25–26, 1983, at Secretary of State George Shultz's invitation. Genscher, who was acting also in his capacity as Chairman of the Council of Ministers of the European Community, met with President Reagan at the White House on January 26. Also attending the meeting were Vice President George Bush; Secretary Shultz; William P. Clark, Assistant to the President for National Security Affairs; Arthur F. Burns, Ambassador to the Federal Republic of Germany; and Peter Hermes, Ambassador from the Federal Republic of Germany to the United States.

In response to questions from reporters at the January 27 Department of State Daily Press Briefing, Department of State Spokesman John Hughes made the following statement regarding Genscher's visit:

"We welcome a number of the points that he made. He said that the American proposal to eliminate all Soviet and American medium-range missiles would provide the best solution for Europe, for West Germany, and for the West as a whole. He said, 'It must be clear that the date of the schedule for deployment would be unchanged, and no doubt should be raised as to the viability of that date.' He said, 'This makes it clear that everyone should know that the West is fully determined to negotiate seriously and work for results.' We welcome those statements by Mr. Genscher." (Office of Press Relations, Department of State)

Document 266

Remarks by Vice President Bush, Bonn, January 31, 1983 [5]

"Our Strength Lies in Unity"

Thank you very much Chancellor Kohl.

Good afternoon, ladies and gentlemen. I'm delighted to be here in Bonn. As I said at the beginning of my journey, the purpose of my trip was to meet and consult with our allies and friends in Europe regarding the major issues of the day and particularly our joint efforts to reduce the level of nuclear weapons, not only in Europe, but throughout the world. Our meeting this morning was warm, friendly, candid—the way meetings are between friends.

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[3] See document 269.

[4] Reference is to P.L. 97–472, approved January 14, 1983; for text, see 96 Stat. 2603.

[5] Source: Press Release, January 31, 1983, Office of the Press Secretary to the Vice President. Bush made these remarks after meeting with West German Chancellor Helmut Kohl in Bonn. Bonn was the first stop Bush made as part of a visit to seven West European countries from January 30 to February 10, 1983.

The relationship between the United States and the Federal Republic of Germany is based on shared values—our belief in democratic institutions, faith in human rights. This year marks the German-American Tricentennial. And, I am glad to say I have accepted Chancellor Kohl's kind invitation to come to Krefeld June 25 as another symbol of our on-going relations.

The relationship between the United States and the Federal Republic of Germany is essential if we are to maintain peace and security as we have for nearly four decades. Our discussions focused on East-West relations and the negotiations now taking place in Geneva regarding intermediate-range nuclear weapons. I also told Chancellor Kohl of President Reagan's willingness to explore serious Soviet proposals. The President is personally committed to negotiating nuclear arms reductions. He is also insistent on equality and verifiability—a position shared by our friends here.

During our discussions we also agreed to stick to the two-track decision adopted by NATO in 1979. [6] There is no doubt between us that our strength lies in unity. And our strength, common purpose, and mutual cooperation has been the greatest deterrent to war and has preserved the peace in Europe for the longest period of time in nearly a century.

This afternoon we will leave Bonn and travel to Berlin. I just want to take this time to thank the leaders of this great country and the people of this wonderful city for all their kindness and hospitality.

[6] Reference is to a decision made at the NATO Foreign Ministers meeting in Brussels in December 1979. The first track called for deployment of long-range theater nuclear forces in Europe. The second track was the determination to pursue simultaneously arms reduction negotiations with the Soviet Union. For text of the final communiqué issued by the North Atlantic Council on December 14, 1979, see *American Foreign Policy: Basic Documents, 1977–1980*, pp. 496–499.

Document 267

Remarks by President Reagan, February 16, 1983 (Extract) [7]

West German Elections and the Issue of Missile Deployment

. . . . . .

Q. Mr. President, as you know, there's an election approaching in West Germany, [8] and the latest polls appear to give the opposition a prospect at least of winning those elections in March. My question to you is, what do you think the consequences would be for the Western alliance if a new German Government took office and declined to deploy the Pershing missiles?

THE PRESIDENT. I think it would be a terrible setback to the cause of peace and disarmament. So far I've had no indication that that would be a possibility. Herr Vogel [9] has been here in this country. He indicated support of what it is that we're proposing in the arms reduction talks and he seemed to indicate his knowledge of how important our continued plan to deploy—remember, at their request—those missiles would be in securing this reduction in armaments.

So, we're not going to inject ourselves into anyone else's internal affairs or elections at all. But I believe that the Vice President's trip there found great support all over Europe of what it is we're doing, and in Germany, even, from the fact that there is, they're preparing for an election.

Q. Do you think the deployment question will not turn on the West German elections, then?

[7] Source: White House Press Release, February 16, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, February 21, 1983, pp. 249–250. President Reagan made these comments during a press conference held in the East Room of the White House. The press conference, which began at 8:01 p.m., was televised nationwide.

[8] See *infra*.

[9] Hans-Jochen Vogel, leader of the Social Democratic Party in West Germany.

THE PRESIDENT. No, I don't. I don't really believe that. When I said it would be terrible, I did not mean that to infer as that someone else might win an election. I meant that it would be terrible if any of our allies withdrew from their present position of support for this.

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Document 268

Transcript of the Department of State Daily Press Briefing, March 7, 1983 (Extract) [10]

U.S. Reaction to West German Elections

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Q. John, do you have any State Department reaction to the West German elections? [11]

A. Yes. The United States looks forward to continued good relations with all major parties and to continued close ties with Chancellor Kohl and his government.

Q. How about the election of the Greens to a few seats?

A. No. Wouldn't have anything on that, John. I think that's an internal German question.

Q. Specifically, do you have any comment on the pre-election statements by the Soviets?

A. I don't think we really would have any comment on that. I think, as a matter of fact, most leaders of the various German parties have had some remarks to make from time to time about German meddling, or what they have seen as German meddling in the elections—

Q. Is that what you're talking about—Soviet?

A. Yes. Soviet. Did I misspeak? Sorry.

Q. Yes.

A. Soviet meddling. And I think we would leave that assessment to them.

Q. How about both candidates before the election—on the eve of the election said that they expected the Reagan administration to put forward a new compromise plan on intermediate-range nuclear missiles?

Do you have anything that would indicate that's in the works?

A. No. I think the President's position on the U.S. position in Geneva has been reiterated and made very clear, and we could go back to that language and produce it for you, but it would be what he has said on occasions before. No change in that of which I'm aware.

Q. There's no consideration of putting forward a new proposal in Geneva?

A. The President makes arms control policy of the United States, and he's made it. Should he want to change it, I'm sure that he would make a statement, but I'm not aware of any change.

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[10] Source: Office of Press Relations, Department of State. John Hughes, Department of State Spokesman, conducted the briefing held at 12:20 p.m.

[11] Reference is to a parliamentary election held in the Federal Republic of Germany on March 6, 1983. The Christian Democratic Party, headed by incumbent Chancellor Helmut Kohl, won 244 seats in the lower house of the Bundestag. The opposition Social Democratic Party won 193 seats. The Free Democratic Party, led by incumbent Foreign Minister Hans-Dietrich Genscher, won 34 seats, while the Green Party won 27. The 1983 election marked the first time the Green Party won representation in the Bundestag.

Document 269

Address by the Ambassador in the Federal Republic of Germany (Burns), Hamburg, March 14, 1983 [12]

The Human Side of German-American Relations

As the Ambassador of the United States in the Federal Republic of Germany, I have often spoken about the political, economic, and security relationships between our two countries. This evening I would like to address a more fundamental theme—the human relationship between your country and mine.

We are commemorating this year the 300th anniversary of the arrival in North America of the first permanent immigrants from Germany. The 13 Mennonite and Quaker families who in 1683 settled in Germantown, now a part of the city of Philadelphia, came in search of freedom—the freedom to pursue their religious beliefs and the freedom to seek economic betterment for themselves and their children. They found both. I daresay that a great majority of the forebears of the approximately 68 million Americans who today claim German ancestry came in search of these same objectives—personal freedom and economic opportunity.

Across the centuries, America has been identified with these basic human strivings. Our Declaration of Independence and our Constitution eloquently express these ideals, and they have served in all parts of the world as a beacon for people seeking a new life for themselves—a life that would enable them to speak or write freely, to worship God as they saw fit, and to pursue economic opportunities without being encumbered by rigid customs or authoritarian rule.

The human significance of the centuries-old stream of immigration to America—at first from Western Europe; later from eastern and southern Europe; still later from Latin America, Asia, and other parts of the world—can hardly be exaggerated. Americans may justly note with pride that their country has remained a land of hope and welcome for uprooted people—that it accepts even at present many more immigrants than does the rest of the world. Most of them still come in search of personal freedom and economic opportunity for themselves and their children.

The United States, in turn, has continued to benefit from the increasing flow of immigrants to its shores. If they caused social problems at times, they also ultimately enriched our industrial, political, and cultural life. My country could not have developed the way it did, nor become the society that it is today, without the moral courage and the intellectual and technical skills that were continually being brought to us from the Old World and particularly from your country.

The names of many of the German immigrants to America are well known on both sides of the Atlantic; and if I mention some tonight, they serve only as examples of those who have energized American life and culture. There is—as the first of these—Franz Daniel Pastorius, the founder of Germantown, a prophetic figure who projected a clear vision of the kind of country that the United States was to become. In advocating the separation of church and state, tolerance of religious and ethnic diversity, and the abolition of slavery, he was well ahead of his time. Another was William Rittenhouse, a minister and papermaker from Muehlheim on the Ruhr, whose great grandson, David Rittenhouse, served as the first director of the U.S. mint and achieved lasting fame as a mathematician, astronomer, and inventor. Thomas Jefferson was moved to say of him: "He has not, indeed, made a world, but he has intimately approached nearer its maker than any man who has lived." There was the printer, journalist, and publisher, Christopher Sauer, who was the first to print the Bible in a European language in America. A more famous immigrant was John Peter Zenger, who is still known in the United States as the "patron saint" of freedom of the press. And there was Hans Nikolaus Eisenhauer, an immigrant from Eiterbach, in what is now southern Hesse, who arrived in America in the middle of the 18th century, achieved neither wealth nor fame, but became the ancestor of Dwight David Eisenhower—the 34th President of the United States.

[12] Source: Department of State *Bulletin*, June 1983, pp. 32–36. Burns spoke before the Overseas Club in Hamburg, West Germany.

And, if I may continue, there were also the heroes of the Revolutionary War—Johann de Kalb and Friedrich Wilhelm von Steuben; the political thinkers and reformers—Friedrich Hecker, Carl Schurz, John Altgeld, and Robert Wagner; the bridge builder—John Augustus Roebling; the organ builder—Henry Steinway; the businessmen—John Jacob Astor and Levi Strauss; the artists—Emanuel Leutze and Albert Bierstadt; the political cartoonist—Thomas Nast; the musicians and composers—Leopold Damrosch, Arnold Schoenberg, Bruno Walter, Kurt Weill; the linquist—Maximilian Berlitz; the banker and philanthropist—Paul Moritz Warburg; the theologian—Paul Tillich; the architects—Ludwig Mies van der Rohe and Walter Gropius; the scientist—Albert Einstein; the writers—Thomas Mann and Hannah Arendt; and—to round out this illustrative list—your friend and mine, Henry Kissinger. Where would America be, or for that matter where would the world be, without the momentous contributions of these German immigrants!

These people, their children, and their children's children—the 68 million Americans who claim German antecedents—forged the chain that linked our two societies. These links had nothing to do with political treaties, security arrangements, or trade agreements. Indeed, they survived severe strains in the political relationship between our countries—even two terrible wars. Perhaps the best example of the strength and durability of these human ties is the speed and commitment with which the people of my country devoted themselves to assisting the German people after World War II.

It was primarily the interaction between our two peoples that brought democracy and physical reconstruction to the Federal Republic and established the partnership between our two societies that exists today. To be sure, the Marshall Plan was a critical instrument in rebuilding West Germany's shattered economy. The North Atlantic Treaty provided the essential guarantee of security against aggression. Other actions—such as the Berlin airlift—further showed the resolve of the United States to share in the protection of the young democracy that had risen from the ashes of World War II.

But the driving force of all these salutary political developments was the human network created by the millions of Americans of German descent, by the numerous German refugees who reached our shores in the 1930's, by the hundreds of thousands of German prisoners of war who lived for years in the United States, by the tens of thousands of Americans and Germans who cooperated in rebuilding the democratic society which the Federal Republic is today, and by the legion of Fulbright scholars and exchange students. It was their interaction that formed the foundation of the partnership between our two countries—a partnership that has proved strong enough to withstand all sorts of temporary economic irritations and political differences.

These Americans and Germans, who lived and worked together, came to understand and appreciate one another. They knew or soon learned that they were bound together by shared values and convictions—by respect for human rights, by faith in democracy, by devotion to the rule of law. And they transmitted these insights to those of their countrymen who had no direct involvement with people of the other nation. But by the late 1960's and early 1970's this creative generation of Germans and Americans gradually moved out of positions of leadership and influence. The network of human relationships that had so closely linked our societies thus became looser. The generation taking their places had no similar formative experiences, and as a result it had a less personal commitment to the German-American relationship.

In recent years the tight net of shared values between our two peoples has been sagging, in part, because we are now less intimately involved with each other. At the same time, other developments began to cloud the optimistic mood, especially of young people, in our countries. Among these was the diminished luster of the noble dream of a united Europe, the persisting hunger and despair in many of the less developed parts of the world, the Vietnam war in which the United States had unfortunately become entangled, the civil rights turmoil in my country, the enormous soviet military buildup during the 1970's in the face of a proclaimed detente, the political adventures of the Soviets in Asia and Africa and their invasion of Afghanistan, the suppression of the newly achieved freedom of speech and assembly in Poland, the rampant inflation and rising unemployment in the Western world, and—not least important—the growing

feeling in the Federal Republic that its *Wirtschaftswunder* had come to an end.

All these factors, while not directly involving the German-American relationship, have cast their shadow upon it. It is an inescapable fact that the relationship between our two peoples has become less close. The educational system, which could have partially replaced the loss of direct personal experience between Germans and Americans, has failed us. The new generation has not been well served by the slight attention of our schools to the teaching of history, ethics, and the principles of our Western civilization.

Human understanding is always imperfect. That is man's lot on Earth. We know this from our daily lives. Partents do not always understand their children or children their parents. So it is also between husbands and wives, between employers and their workers, between landlords and tenants, between bankers and borrowers, between professors and students. But, if misunderstandings exist within our families, schools, and workshops, they have much greater opportunity to arise—and even flourish—among nations, since differences of history and language consipre with limited direct contacts between peoples to breed misunderstanding and at times, unfortunately even mistrust. Foreign service is no longer an entirely new career for me; I am now well into the second year of my ambassadorship to your country. But I must confess that I still continue to be astounded by the strange opinions that highly placed Europeans now and then express about the United States and, I should add, vice versa. Is there any wonder, then, why many of the young people in your country and mine have so little understanding of one another's society?

I have spent many hours with young people in your country, as I previously did in mine. I admire their intelligence, their idealism, their horror of armaments, and their sympathy for the downtrodden. But I am also appalled by the ignorance that so many of them exhibit of the history even of their own country, to say nothing about their ignorance of the United States. And I am especially troubled by their apparent lack of appreciation of what it means to live in a democracy.

It is a puzzling and saddening feature of our times that many of our young people, perhaps even more so in your country than mine, seem unable to differentiate between the moral and political order of the West and the oppressive totalitarianism of the Soviet bloc. After all, the values of Western democracies are not abstract or elusive concepts. The liberty of the individual to speak, write, worship, and assemble with others; the equality of all individuals under the law; the protection of every citizen against arbitrary acts of government; the freedom to choose among economic, social, and cultural alternatives—these basic values of Western democracies are practical realities that every intelligent person should be able to grasp. They certainly are thoroughly understood and appreciated by those who live under Communist rule and are not able to enjoy them.

The reason that many young people in Europe and America take basic Western values for granted must be that they have never been without them. They do not seem to realize that their right to demonstrate for a nuclear freeze, their freedom to press publicly for unilateral disarmament, their right to march against what they consider to be wrong American policies in Central America—that these privileges are theirs under a democratic system that they themselves must help protect against those who would take them away, as they have been taken away from both the young and old in Poland, Czechoslovakia, Hungary, Afghanistan, and many other places. Young people of average intelligence ought to be able to see the difference between the impulses animating America and those governing the Soviet Union. They ought to be able to recognize that the invited presence of American troops in Europe has the express purpose of helping to protect the values of our Western civilization, whereas the Soviet armies that have willfully occupied Eastern Europe for 35 years are there to ensure the suppression of the freedoms for which their citizens yearn to this day.

The reality and the attraction of our Western values, it appears to me, should be clear to anyone contemplating the lives of the unhappy people under Soviet domination who, whenever possible, have taken to voting with their feet because they cannot vote any other way. There are millions of individuals who have escaped from East Germany, Poland, Vietnam, Kampuchea, Afghanistan, Cuba, and other Communist countries. But is anyone aware

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of a flood—or even of a trickle—of refugees migrating to any of these countries?

The misguided views of young people—and even of some who are not so young—are often attributed to the persistence and power of Soviet propaganda. I hear this repeatedly from my business friends. That explanation, however, is an escape from realities. The Soviets, to be sure, use every opportunity to defame our Western societies and to disguise the truth about their own. But their ability to do so with success derives fundamentally from the fact that both parents and teachers in our countries have failed to impart to children a sufficiently sound moral and historical education, so that they can appreciate the democratic institutions that they have been fortunate enough to inherit.

To be sure, the democratic systems that prevail in Western Europe and in the United States have their shortcomings and abuses. But what is noteworthy about a democracy is its capacity for improvement and renewal. Open criticism, evolution of institutions, and orderly change in the laws governing society are inherent elements of the democratic system. The Soviet system, in contrast, stifles through terror and repression any attempt of its citizens to change it significantly.

The young people of Western Europe must realize that if they wish to preserve their liberties, if they wish to enjoy the basic rights of a democratic society, they must feel part of that system, and they, therefore, must be prepared—if it ever becomes necessary—even to fight for it. As parents, teachers, and politicians, we have the responsibility on both sides of the Atlantic to make sure that the democratic values that bind us in the North Atlantic alliance are understood and appreciated by those who follow in our footsteps.

How can we do that? I come from a background of teaching, and I naturally value the benefits of a good education. It is clear to me that we must do a far better job of educating our young people in ethics, history, languages, and political science. This requires, among other things, that we be more alert as parents and teachers to the inadequacies of our formal educational apparatus, particularly the *Gymnasia* in your country and the high schools in mine. The textbooks used in both German and American schools are often obsolete, and for that reason alone tend to convey serious misinformation about our respective countries. Teachers of history and political science have a special obligation to be objective and up-to-date. They can be aided in fulfilling this responsibility by an educational system that encourages and rewards those teachers who diligently continue their own education.

I also have a background in international finance. It is for me a familiar territory of relative order and predictability. International politics and diplomacy, on the other hand, are a new discipline for me. I find it a universe inordinately filled with gossip, emotion, and even suspicion—a world in which perception of facts often obscures the facts themselves. This, I readily admit, is the situation in my country as it is in yours. And I recognize that an ambassador must do what he can to clear out this underbrush of emotion and faulty perception that at times disturbs the relationship between his government and the government to which he is accredited.

The achievement, however, of true understanding between any two governments depends fundamentally on the kind of relationship that exists between their peoples, rather than on foreign ministers or ambassadors. Governments in democratic countries are inevitably influenced by, and to a considerable degree they even echo, the thinking of their citizens. It is, therefore, highly important that improvements in our respective educational systems be supplemented by a vastly greater network of personal contacts between the peoples of our two countries. Bringing about better understanding of our respective institutions of work and play, of life in our homes and communities, and of the aspirations and fears of our peoples should be our mutual goal. I know of no other way of reestablishing the camaraderie and understanding that existed between Americans and Germans after World War II—a camaraderie that forged the partnership between our governments in furthering peace and protecting freedom.

A dramatic expansion is now needed of programs under which Americans can study, teach, or work for some time in your country, while Germans become correspondingly involved in my country. To accomplish this, both our countries will have to devote larger resources—in manpower and in private and public financing—to human contacts and exchanges. I am told that the U.S. Government now

spends about $115 million per year on its human exchanges with other nations and that only a small part of that sum is devoted to West Germany. Private spending on exchange activities is much larger, but I am convinced that neither private nor public financing of this vital effort is nearly large enough. I would hope that 5 years from now the American Ambassador will be able to report to you that the moneys devoted by his country to exchange programs with other nations, and particularly with the Federal Republic of Germany, have increased at least tenfold. That is how essential I consider these exchanges to the freedom, security, and prosperity of the Western World.

Let me now turn more specifically to the exchange activities between our two counties that I have in mind. At present, various academic exchanges under private auspices are being supplemented by an academic exchange program conducted jointly by the Governments of the United States and the Federal Republic. This program had its origin many years ago when an American of vision, Senator J. William Fulbright of Arkansas, became concerned about an intellectual gap and proceeded to deal with it by sponsoring an educational exchange program between the United States and other countries. Its purpose was cogently described by the Senator when he wrote some years later:

"Perhaps the greatest power of educational exchange is the power to convert nations into peoples and to translate ideologies into human aspirations. I do not think educational exchange is certain to produce affection between peoples, nor indeed is that one of its essential purposes; it is quite enough if it contributes to the feeling of a common humanity, to an emotional awareness that other countries are populated not by doctrines that we fear but by individual people—people with the same capacity for pleasure and pain, for cruelty and kindness as the people we were brought up with in our own countries."

Since its inception, the Fulbright exchange program has enabled about 130,000 Americans and citizens of other countries to study, teach, or do research abroad, and thereby improve understanding between and among peoples of different countries. The highly successful American-German educational exchange program is a good example. At the outset it was entirely financed by the United States, but in time the German Government became so convinced of its utility that it now contributes nearly three-fourths of the total annual cost. This enlightened program deserves increased support from my government as well, and I am pleased to report that this view is widely shared in Washington today.

There is also a vital need for a greatly expanded youth exchange program. Looking to the quality of the future leadership of our societies, it is obviously important to foster sensible dialogue among young people at an early state of their intellectual development. Attitudes in both our societies are often formed before youngsters reach the university level or embark on working careers. In view of that, it would be especially useful to provide larger opportunities for teenagers—say, those between 16 and 19—to spend some time in the partner country. I am thinking of stays that would be of sufficient duration to enable youngsters to go to school, live in a private home, and participate in the community life of the other land. A young person who has spent a school year or so in the partner country will have a real opportunity to learn to understand its society. That experience and knowledge will stay with him or her over a lifetime. I would hardly expect all young persons to become enamored of their partner country, but their doubts or criticisms will at least have been disciplined by some firsthand knowledge.

President Reagan recently announced an international youth initiative that focuses on this particular need with the vision and commitment that characterized Senator Fulbright's proposal back in 1946.[13] The parliaments of both our countries—your *Bundestag* and the American Congress—have lost no time in endorsing the principle of expanding youth exchanges, and both our governments are already involved in translating their parliamentary resolutions into practice. For instance, a plan is being developed under which every Member of the *Bundestag* and every Member of the American Congress will have the opportunity to nominate a teenager from his or her electoral district to spend a school year in the partner country. This project, incidentally, would encourage our elected political leaders to

[13] For text of President Reagan's May 24, 1982, proposal, see *American Foreign Policy: Current Documents, 1982*, p. 421.

become personally involved in exchange activities, and it would thus establish procedures that should benefit our two democracies in the next generation. Not only that, it has been observed time and again that exchange youngsters reinforce the bonds of friendship they had formed with their host families through their own parents, other relatives, and fellow students. We need precisely such a matrix of human contacts to rebuild the warm spirit of partnership that existed between our two peoples during the late 1940's and 1950's.

Still another exchange activity that can yield rich dividends of understanding would involve young Germans and Americans who have already embarked on their life's work in business or farming, as journalists or churchmen, as teachers or government officials or trade unionists. They, too, will eventually have a role, perhaps even a major role of leadership, in our respective societies; and some of them should have the opportunity to improve their perspective on life by working for a time in another country. In response to a wise suggestion by the German Government, I am glad to report that we in the United States have begun to explore ways of cooperating with your country by including working youth in the enlarged exchange activity between our peoples that is now being designed—an activity that should involve our homes, schools, universities, churches, trades, and professions. It is only by strengthening the human relationships between our peoples that we can sustain our shared values.

In concluding this discourse, allow me now to summarize my message to you. Effective political, economic, and security interaction between the United States and the Federal Republic of Germany rests on a foundation of human relationships between the people of your country and mine. Our citizens share a set of values that center on personal liberty, freedom of choice, and the rule of law—values that they have developed over a period of three centuries. These values must be understood and accepted by our citizenry if our political, economic, and security ties are to be preserved. In order to understand and appreciate these values, our citizens must understand each other and each other's societies. To accomplish this we need to improve our schools and increase exchanges among our young people. Our two countries are fully capable of providing the resources to increase youth exchanges manifold, thereby avoiding doing too little too late. We owe this to ourselves, and we owe this to those who will follow in our footsteps.

President Reagan recently remarked that the best way—in fact, the only way—to international peace "is through understanding among nations and peoples." I daresay that much the same is true of the preservation of our Western civilization.

Document 270

Remarks by President Reagan and the Chancellor of the Federal Republic of Germany (Kohl), April 15, 1983 [14]

Meeting With Chancellor Helmut Kohl

THE PRESIDENT. It was my pleasure today to host a luncheon and extensive meetings with Chancellor Kohl and other representatives of his government. Our discussions touched on a number of bilateral issues, as well as those general problems confronting our two powerful democratic nations.

As befits one who has just won an impressive election victory, Chancellor Kohl was very positive about the opportunities ahead. I share his optimism and look forward to continuing our close relationship.

The Chancellor and I have many things in common, not the least of which is a deep faith in the strength of Western values. We were able to approach our discussions with a shared appreciation for

[14] Source: White House Press Release, April 15, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, April 18, 1983, pp. 548–550. President Reagan and Chancellor Kohl spoke to reporters in the East Room of the White House beginning at 1:27 p.m. The President and the Chancellor had met that morning in the Oval Office and then held a working luncheon, attended by U.S. and German officials, in the residence. Kohl's meeting with President Reagan was part of an official working visit he made to Washington, April 14–15, 1983, at the President's invitation. Kohl, who was also acting in his capacity as President of the European Council, was accompanied by West German Vice Chancellor and Foreign Minister Hans-Dietrich Genscher.

these values and with an understanding of the many traditions and common interests that link our two countries. The special ties between the German and American people will be expressed this year in the celebration of the tricentennial of German emigration to North America. And I'm especially pleased that President Carstens will be making this event—or marking it, I should say, with a state visit to our country in the fall.

During our discussion today we focused on issues likely to emerge during the Williamsburg Summit. And the Chancellor and I agree that we should seek a free and open exchange of views at Williamsburg with our primary goal being the closest possible cooperation in tackling the problems facing the world economy. Both of us welcome the signs of economic upturn in our countries and will work to assure that recovery is strong and lasting.

We agree that it is vital that we vigorously seek a resolution of the trade problems between the United States and Europe and that protectionism be avoided. And we're happy with the steps we've made toward a common understanding concerning East-West economic relations.

Another subject of discussion today was the arms reduction negotiations between the United States and the Soviet Union. I reiterated the U.S. determination to achieve success in the START and INF talks in Geneva, and the Chancellor confirmed his strong endorsement of our negotiating strategy.

As leaders of our respective countries, we call on the Soviet Union to respond seriously to our proposals, proposals which, if given a chance, will strengthen peace and make all mankind a little safer.

We remain united in our commitment to continue on both tracks of the NATO decision of December 12th, 1979, including deployment of new weapons if continued Soviet intransigence makes this unavoidable.

I'm pleased again to have with us Chancellor Kohl.

CHANCELLOR KOHL. First of all, I'd like to thank you, Mr. President, for your invitation and the kindness and hospitality extended to us.

Our talk, in which Foreign Minister Genscher, our closest advisors, participated gave the President and myself an opportunity to continue our intensive and friendly dialog which we began when I became Chancellor of the Federal Republic of Germany last October. And I would like to take this opportunity once again here in public to express the gratitude for the very intensive and friendly consultations that have taken place since that time between our two governments.

We had a good, cordial, and open conversation among friends, about which I am highly pleased. This exchange has shown that beyond our personal understanding, German-American partnership rests on the broad basis of shared values and interests.

We discussed in depth and in great earnest the essential aspects of our joint peace and disarmament policy. In the course of this year, important issues are pending. We are profoundly interested in finding solutions to the issues at hand, if possible, in agreement with the East.

And this includes the Geneva negotiations on U.S. and Soviet intermediate-range missiles. We are agreed that the recent Western proposal offers the basis for flexible and dynamic negotiations.

Given goodwill on both sides, it will be possible soon to achieve a balanced result. It is our belief that we have not heard yet the last word from the Soviet Union.

We discussed in detail the CSCE follow-up meeting in Madrid. We continue to strive for an early and substantial result, which would include an agreement on a conference on disarmament in Europe and make important gains in the area of human rights.

We also discussed the Vienna negotiations about mutual and balanced force reductions. We had extensive discussions about the whole field of East-West relations. And we are agreed that personal contacts with the leaders of the Soviet Union continue to be important.

We want to carry on our common efforts to arrive at constructive relations between East and West through dialogue and cooperation wherever the Soviet Union makes this possible. We agreed on the need for continued efforts towards a common approach on East-West economic relations.

Another important subject we discussed was the preparation of the Economic Summit meeting to be held in Williamsburg at the end of May. In this context we exchanged views about the economic developments in our two countries and about measures to promote economic recovery.

The Summit meeting will provide us with an opportunity to intensify the emerging recovery of the international economy through close coordination. In this way we will be able, immediately prior to the continuation of the North-South dialog of the UNCTAD Conference in Belgrade, to make a contribution towards solving the economic and social problems of the developing countries. Thus, we want to promote genuine independence and genuine non-alignment.

I came to Washington also in my capacity as President in the Office of the European Community. The President and I are agreed that the European Community and the United States together bear a great share of responsibility for the international economy.

We are aware that the future development of relations between the United States and the European Community must, and will, live up to this responsibility.

I am leaving Washington firmly convinced that the quality of our relations will also include—should determine—our policy of safeguarding peace and in particular our common efforts to achieve progress in the Geneva negotiations.

I am leaving Washington with a certain feeling that I have been as a guest among friends.

Thank you very much.

Document 271

Remarks by Vice President Bush, Os, Norway, June 26, 1983 (Extract) [15]

Anti-U.S. Demonstrations in West Germany

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Q. You encountered some angry anti-nuclear demonstrators in West Germany yesterday. [16] What are your comments about it?

A. Well, it was an embarrassment to our hosts: the Lord Mayor of Krefeld, the Chancellor and President of Germany. They felt that the demonstrators—the wild ones—not those that were coming really to say something about peace—but the violent ones, the renegades, the vulgar, filthy ones, who were yelling and shouting obscenities—were an embarrassment to Germany. It wasn't an embarrassment to me particularly, and nobody is going to change policies based on throwing things or abuse and physical violence. Those kinds of demonstrations are counterproductive. We understand when people care in their hearts and want to say something in protest. Our country is built on dissent, built on protest, but not on violence and ugliness and rudeness. I have been

[15] Source: Office of the Press Secretary to the Vice President. Bush made his remarks during a question-and-answer session with the press. The Vice President was in Norway as part of an official working visit to Northern Europe which began on June 23 and ended on July 7, 1983, taking Bush to England, West Germany, Norway, Sweden, Finland, Denmark, Iceland, and Ireland.

[16] Bush represented the United States at ceremonies held in Krefeld, West Germany, on June 25, 1983, to commemorate the 300th anniversary of the arrival of the first German immigrants to America. After the ceremony demonstrators, protesting both NATO plans to deploy missiles in western Europe and U.S. policies in Latin America, threw rocks, bottles, and balloons filled with paint at Bush's motorcade. No one in Bush's party was injured. According to the *New York Times*, West German Chancellor Helmut Kohl stated that his country would "not bend to terror in the streets." A separate, peaceful demonstration was also held in Krefeld on June 25. Its leaders denounced the violent demonstrations against the United States. See *New York Times*, June 26, 1983, p. A1.

through this kind of thing before. But for the hosts, my heart went out to the people of Krefeld who wanted to celebrate 300 years of amity between Germany and the United States. So that part wasn't pleasant. But it did not obscure the significance of the day in our view. I had very productive talks with the Chancellor and with the President of the Federal Republic and with the Lord Mayor. My heart just ached for the hosts who had planned this for a long time and then were embarrassed by the demonstrators—some of whom they said came in from Holland, and were throwing things and yelling abuse. People don't like that. Most people don't like that.

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Document 272

Transcript of a Department of State Press Briefing, July 11, 1983 (Extract) [17]

Chancellor Kohl's Visit With Yuri Andropov

Thank you. I wasn't present at Hans-Dietrich Genscher's press readout, but I've gotten some reports. Based on those reports, I think his statement would go pretty much for us as well.

I think that we were very pleased by the opportunity to be debriefed on Chancellor Kohl's visit to Moscow. We had very good sessions both here in the State Department, I think. We had a lengthy meeting this morning with Secretary Shultz, then a lunch, and after lunch, went over to the White House where the Foreign Minister met with the President and a smaller meeting in the situation room with Judge Clark.

I guess the first point we'd make is that this is just another example of the very close consultation underway on security and East-West issues that we carry out with the alliance—and specifically, in this case with the Federal Republic of Germany.

We were very pleased by the very precise and clear position that Chancellor Kohl took in Moscow, his emphasis on Germany's role within the alliance, his position as a leading member of the EC [European Community] and its alliance with the United States. We support the overall concept elaborated by the Chancellor in Bonn, the East-West relations, that is firmness on the one hand and a readiness for dialogue on the other.

We, of course, fully support the message on INF [intermediate-range nuclear forces] delivered by the Chancellor, that is that we will continue to seek an agreement in Geneva, that there is no doubt in the determination of the alliance as a whole, or in Washington or in Bonn, that in the absence of an agreement that the deployments will begin on schedule.

In addition to the INF message, we were told today by the Foreign Minister about the Chancellor's discussion of humanitarian issues during his visit to Moscow, human rights cases, as well as his discussion of the Madrid conference, where we share with Bonn the desire for a speedy conclusion of the Madrid talks.

The Foreign Minister did tell us that the United States came under heavy criticism during the visit to Moscow on its negotiating posture in Geneva, but that the Chancellor rejected this criticism saying that that criticism was tantamount to criticism of Bonn, because our negotiating positions had been worked out in such close consultation. These were not U.S. negotiating positions, in other words; they were alliance negotiating positions.

We also share with the Chancellor the desirability of contacts with the Soviet Union, and we share the view that a summit could be productive, if it is carefully prepared and has a good possibility of producing concrete results.

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[17] Source: Office of Press Relations, Department of State. At the outset of this background briefing, which began at 4 p.m., the senior Department of State official conducting it made this statement. The briefing was on the official working visit of West German Foreign Minister Hans-Dietrich Genscher to Washington, July 10–11, 1983. Genscher reported on West German Chancellor Helmut Kohl's meetings with Soviet President Yuri Andropov held in Moscow, July 4–7, 1983.

Document 273

Remarks by President Reagan and President of the Federal Republic of Germany Carstens, October 4, 1983 [18]

Visit of President Carstens

THE PRESIDENT. Mr. President and Mrs. Carstens, Mr. Minister and Mrs. Genscher, honored guests, I'm delighted to welcome you and your party to Washington and to the United States.

During my inspiring visit to Bonn in June 1982, [19] we agreed that you would come to this country for an official visit as part of our joint celebration of German-American friendship.

This year has special significance. We celebrate the 300th anniversary of the first German immigration to America. Those first families, or settlers, I should say, were 13 families from the Rhineland. They were followed by millions of their countrymen, men, women, and children who became a strong thread running through the fabric of America.

German Americans have meant so much to the development of this nation. And today German-American friendship is vital to the security and freedom of both our peoples.

Nineteen eighty-three is a landmark year for our two countries and for the NATO alliance as a whole. We, and the rest of our allies, must continue to have the courage and mutual trust to do what is necessary to maintain peace and security in Europe.

We decided in December 1979 that if no agreement with the Soviet Union could be reached, maintaining a balance of force in Europe would require the modernization of NATO's deterrent forces.

So far, the Soviet Union has not been willing to negotiate a fair and verifiable arms reduction agreement with us. Let there be no mistake, an agreement would be far better for all concerned. We seek the elimination of these weapons and we will continue our unflagging efforts to reach an acceptable agreement, but if the Soviet intransigence continues, we must begin deployment and ensure NATO's deterrent.

We're confident that the alliance will meet this challenge and that the strength of the German-American partnership will be a major factor enabling NATO to do so.

For our part, we remain convinced that a strong NATO alliance remains the key to European peace. And German-American cooperation and trust are the linchpin of that alliance.

In meeting today and in your visit to many parts of the United States, I believe that you will see that the reservoir of good will our people hold for the Federal Republic of Germany runs just as deep as ever.

By resolution to both our Congress and the German Bundestag and by my proclamation of last January, [20] the year 1983 is the tricentennial year of German settlement in America. Commemoration of this momentous event in the life of our two nations has been and will be vigorous on both sides of the Atlantic.

The cities on your itinerary are poised to welcome you. The people of America are waiting to share the high points of their celebrations with you. Your presence here marking this anniversary touches us deeply. We are proud to say and I hope I can correctly, "wir heissen Sie willkommen."

We greet you. We welcome you. We cherish your friendship, and may God bless you and Mrs. Carstens. (Applause)

PRESIDENT CARSTENS. Mr. President, thank you very much for your warm words

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[18] Source: White House Press Release, October 4, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, October 10, 1983, pp. 1385–1386. Presidents Reagan and Carstens spoke during an arrival ceremony held on the South Lawn of the White House beginning at 10:10 a.m. After the ceremony, Presidents Reagan and Carstens met in the Oval Office and then met with U.S. and West German officials in the Cabinet Room. Carstens was in the United States, October 3–14, 1983, to attend ceremonies commemorating the tricentennial of German settlement in America.

[19] See footnote 2 above.

[20] See document 264.

of welcome and thank you for your invitation to visit this country together with the Vice Chancellor and Foreign Minister, Mr. Genscher.

I'm looking forward to my talks with you, Mr. President, with the Vice President, with the Secretary of State, with members of Congress. And I'm looking forward to meeting thousands of American citizens while traveling through this country.

The purpose of my visit is to strengthen the ties of friendship between the Federal Republic of Germany and the United States of America.

We commemorate the arrival of the first German settlers in Philadelphia 300 years ago. And you, Mr. President, proclaimed that day as a day which we all should celebrate.

We also commemorate the contribution which millions of German immigrants made to the building of the American nation.

But I further want to express the gratitude of us Germans towards the American people for what they did after two World Wars. And I have only to recall millions of CARE parcels which were sent from America to Germans when we were in great need. I have only to recall the Marshall Plan, which saved our economy after World War II. And I have only to recall the Berlin Airlift of 1948–49, which saved the freedom of Berlin.

Today, we are partners in the North Atlantic alliance, the most efficient alliance of modern times because it has preserved peace and freedom for its members over a period for more than 30 years.

Under the terms of this alliance, 250,000 American soldiers serve in Germany. We greet them as allies, partners, and friends. And in saving this, I speak in the name of the vast majority of the citizens of the Federal Republic of Germany.

But we are not only linked by our alliance, we also have—and I think that is as important—common values underlying our system of government. And by that I mean democracy, personal freedom, human dignity, and rule of law.

Looking to the future, I think we must give our peoples the opportunity to understand each other even better. And particularly we must give this opportunity to the young generation.

While I am here, I shall, together with members of the German Parliament—and I'm happy to say that Mrs. Renger the Vice President of the Parliament is here—I shall work for the implementation of different exchange programs under which more than 10,000 young Americans will go to Germany and young Germans will go to America. This is, I think, the best way for nations to become friends because they will realize that we, the Germans, and you, the Americans, have much more in common than most of them have been aware of.

I am happy to be back in America, a country to which I owe personally a great deal, namely part of my legal education at one of your finest universities.

Thank you very much. (Applause)

Document 274

Statement by the Secretary of State (Shultz), Bonn, December 7, 1983 (Extract) [21]

U.S. Consultations in Bonn

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I'd like to express my appreciation to my host in this brief visit to Germany, my friend Hans-Dietrich Genscher, and also to Chancellor Kohl, for the time and excellent meeting that we had last night; and then today we had a series of meetings with other leaders of Germany. It's been a very short time, very full, very worthwhile

[21] Source: Department of State Press Release 421, December 13, 1983; printed also in Department of State *Bulletin*, February 1984, p. 10. Shultz made the statement at the beginning of a press conference he held with West German Foreign Minister Hans-Dietrich Genscher. For full text of the press conference, see *ibid.*, pp. 10–12. Shultz stopped in Bonn, December 6–7, 1983, en route to Brussels, where he attended the semiannual session of the North Atlantic Council ministerial meeting, and to Tunis, Rabat, and Lisbon.

from my standpoint. I must say also that the United States, as in the case of Germany, remains firmly committed to both tracks of the dual-track decision. We are very impressed with the way the German people have handled the deployment issue, and we are as committed as they to continue on and to maintain our own willingness to continue negotiations about these matters at any and all times. Thank you.

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Chapter 11. The Middle East

A. Regional and General Policies

Document 275

Transcript of a White House Press Briefing, February 17, 1983 (Extracts) [1]

U.S.-Egyptian Military Exercises in the Mediterranean

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[Senior Administration Official.] The current deployment of U.S. Air Force AWACS aircraft is in the context of combined U.S. and Egyptian air training. These exercises have been conducted in the past—most recently, in December 1982, as I recall. They will certainly be repeated in the future.

Our fleet units in the Mediterranean are deployed at normal, peacetime readiness levels and dispositions. They are, as always, prepared to conduct or support contingencies as necessary.

In specific reference to the speculation on aircraft carrier movements in the Mediterranean—the President in his role as Commander-in-Chief does not move each individual ship here or there at any time. This is surely the case today and in the past few days and weeks with the *Nimitz*. It has not been ordered by the President to any particular location in response to any particular event.

Now, I will say one more thing and go to your questions. And that is what I mentioned earlier about being, perhaps, overly sensitized to how exercises happen and why they happen. The United States conducts exercises for the purpose of training for improving readiness with our own forces as well as combined forces of other countries.

Now, it, also, does for another reason. Occasionally, the United States will conduct an exercise if there is tension in the area in order to relieve that tension, to demonstrate resolve to our friends, and as well as to improve the readiness of our own units and their capabilities.

Let me give you a couple of examples. I think many of you here covered, in 1970, the Jordanian situation in August–September as I recall. For those who did not, if you look back, you will find that we had roughly twice the level of Marine forces in the Mediterranean at the time. But if you check, you will find that was indeed coincidental—that the Marine forces were effecting a relief of one battalion for the other battalion.

I am not trying to blow smoke at you. Surely, if we had not had them there, I expect we would have sent them. But the point is, to draw conclusions that the United States—by sending those two battalions to the Mediterranean—was reacting to intelligence in Jordan or anywhere else would simply not be true.

The same thing happened, coincidentally—to be quite honest, in 1973. You will recall in the October War, if you look back, you will find that we had roughly twice the normal level of Marine forces in the Eastern Mediterranean. And indeed, you will find that that was the consequence of the normal expiration of one battalion's assignment and the next battalion having just come in.

Now again, if they had not been there, we probably would have sent them. But the point is that every time that there is the deployment of a U.S. unit to a given place on the globe—to assume that it is associated with a crisis, a reaction to intelligence, an event of some proportion, is simply just not right.

[1] Source: White House Press Release, February 17, 1983, Office of the Press Secretary to the President. The briefing was conducted on background by a senior administration official in the White House Briefing Room, beginning at 1:05 p.m.

Q. Well, tell us the case here then.

SENIOR ADMINISTRATION OFFICIAL. Now, the situation with regard to the carrier, for example—the *Nimitz* is assigned a broad area of the Mediterranean for operations. And the orders that task it for conducting normal-life operations in that area have not changed. The area in which it operates and it is assigned to do business have not changed—is conducting those normal operations today.

Now, let me tell you something else about exercise planning. It is not uncommon to develop either ourselves or in concert with friends an exercise concept. And you develop it and you put it on the shelf and at some point you may conduct it by schedule. At some point you may conduct that operation by consulting and going ahead to conduct it at other than a scheduled time.

The situation with regard to the *Nimitz*, though, is that for a long time the *Nimitz* and its battle group have been assigned to conduct normal operations in a portion of the Eastern Mediterranean. Those orders have not changed. The *Nimitz* has not been ordered to any particular location in response to any particular event.

Let me give you another documentation, if you don't choose to believe that. Last weekend at some point the *Nimitz* filed publicly a notice to airmen and mariners of the intention to conduct flight operations in international waters, international air space, and I ask you, frankly, if the United States were concerned about the possibility of any government taking any particular action, if we would have cast our response or our contingent planning for that publicly? I rather doubt it. And, indeed, that's what we did. The *Nimitz* was doing that in the context of its standing orders to conduct operations in this area that it's been assigned for some time. It completed it and it moved on still within this broad ocean or broad Mediterranean area.

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Q. —the problem with what you have outlined is that responsible individuals in this government have told reporters that, in fact, the *Nimitz* battle group was ordered to go where it went for a few days and the AWACS were sent to Egypt because of the fear that Qaddafi was massing units on the Sudanese border and was going to attempt to destabliize Sudan. And when you stand up and tell us what you just said, it flies in the face of these other officials and what they've said.

SENIOR ADMINISTRATION OFFICIAL. I would invite whatever officials that you source to come and say that because it is simply untrue. . . . And I am referring specifically to the newscast last evening which said, in so many words, that in response to the massing of Libyan forces or something to that effect, that the President had ordered the movement of U.S. units to include the battle gorup. And that is untrue.

. . . . . .

SENIOR ADMINISTRATION OFFICIAL. Let me take both points. Those are reasonable questions. First of all, as to whether the President was aware and/or ordered something. The President was aware that the *Nimitz* was conducting normal fleet operations in its assigned area as I've said earlier. The President doesn't order that movement. The *Nimitz* has been operating for some time in this same Mediterranean area under the same orders. Now, it does that with the authority to conduct operations, exercises, other movements that are approved before it ever leaves the United States. But as you can imagine, you can't on that basis say that on—when it's leaving port in December that on February whatever it is, 16th, you're going to conduct operations off Libya. It doesn't work that way. So, it has the latitude to operate in that broad Eastern Mediterranean area. The President didn't order it. The President was aware it was conducting normal operations.

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Q. How about the AWACS? Does that also apply? How long—when were they sent, how long will they be there, are there Egyptians on these AWACS, and what was the purpose? And are you saying that none of these so-called normal operations had anything to do with the possible crisis in the area?

SENIOR ADMINISTRATION OFFICIAL. Let me say this. I thought that I said—if I didn't, I intended to say—that when we

schedule an exercise—and I refer specifically to the AWACS, and let's talk about that—that we prepare the concept and the plan and the arrangements and it goes on the shelf and occasionally we come out and we run the exercise. Now, at other than scheduled times we'll consult periodically with friends in the area, whether they're in Asia or anywhere else. And if there is some interest in having an exercise, whether purely for training or for reasons of heightened tension or anything like that, then we'll conduct another exercise. Now—

Q. Is that what you did here? You're speaking professorially. Can you be specific about this instance?

SENIOR ADMINISTRATION OFFICIAL. Yes, I will. Now, as we've said—and I think as the President has said—Libya has a habit, that is unrelieved for a matter of years, of intimidating its neighbors. This applies to Chad, to Niger, to Tunisia, to Sudan, to Egypt for that matter. Now, it goes in not terribly predictable fashion. Sometimes it's worse and sometimes it's not so intense. At any rate, the United States and the Government of Egypt [are] conducting jointly today an AWACS joint exercise. It's happened before, it will happen again.

Now, I'm not going to tell you—and I don't intend to mislead you—that this is entirely unrelated to and without interest in whatever Libya may do. I would hope that the American taxpayer expects that we use their money prudently, and these exercises, as I have said, always have the potential for serving a joint benefit. Yes, they improve readiness. Yes, they may deter. But I go back to the premise of the broadcast last night—and any other premise you want to make—that is, that it was responsive to the massing of Libyan forces. And that's just not the case.

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Document 276

Prepared Statement by the Assistant Secretary of State for Near Eastern and South Asian Affairs (Veliotes) Before a Subcommittee of the Senate Foreign Relations Committee, March 2, 1983 (Extract) [2]

Foreign Assistance for the Middle East, Southwest Asia, and North Africa

Mr. Chairman, Members of the Committee, I welcome this opportunity to appear before the Committee in support of the Administration's Fiscal Year 1984 Foreign Assistance request for the Near East and South Asia.

Secretary Schultz and Under Secretary Schneider, in recent testimony before Congressional Committees, have presented the overall policy guiding our foreign assistance programs for the region. [3]

They stated that our security and economic assistance programs are designed to maximize the benefits to the national interests of the United States, by supporting a variety of foreign policy strategic and developmental objectives which are vital to our own peace, security and well-being.

The Administration's proposals reflect the realities of our foreign policy and national security objectives in this region, which for the past quarter century has

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[2] Source: *Security and Development: Hearings Before the Committee on Foreign Relations, United States Senate, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 299–304. Veliotes addressed the Subcommittee on Near Eastern and South Asian Affairs. Omitted is the portion of Veliotes' statement on South Asia.

[3] Secretary of State Shultz and Under Secretary for Security Assistance, Science and Technology Schneider testified before the Senate Appropriations Committee on February 28 and March 1, 1983, respectively. See *Foreign Assistance and Related Programs, Fiscal Year 1984: Hearings Before the Committee on Appropriations, United States Senate, Ninety-Eighth Congress, First Session* (Washington, 1983), pp. 1–158. Schneider also testified before the Senate Foreign Relations Committee on February 17. See *Security and Development Assistance: Hearings Before the Committee on Foreign Relations, United States Senate, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 4–65.

threatened to place the United States in potentially serious world confrontation. In this context:

We are actively pursuing a just and lasting Middle East peace. Our policy flows from the President's initiative of last September [4] which is based on U.N. Security Council Resolutions 242 [5] and 338 [6] and the Camp David Framework. [7] Our immediate goal is the resumption of negotiations which will include a Jordanian delegation, hopefully with representative Palestinian participation. Those negotiations should result, first, in the establishment of a transitional regime on the West Bank and Gaza, and then in an agreement on the final status of those territories.

We are vigorously pursuing negotiations for the withdrawal of all foreign forces from Lebanon. Our objective is to restore Lebanese sovereignty and insure Israeli security. A peaceful Lebanon, free from all foreign forces and with a stable central government, will make a major contribution to Israeli security.

We are working with friendly countries to safeguard our vital interests in Southwest Asia.

We continue to emphasize our support, publicly and privately, for a peaceful, early resolution of the devastating war between Iraq and Iran on a basis which preserves the independence and territorial integrity of both countries. Continuation of the war endangers the peace and security of all nations in the Gulf region, and in our view serves neither the interests of Iraq or Iran, nor does it serve any U.S. interest, or those of our allies.

We are searching for the return of peace for the suffering people of Afghanistan, which must be achieved in the context of the withdrawal of Soviet military forces, the restoration of Afghanistan's independence and non-aligned status, the right of the Afghan people to form a government of their own choosing, and creation of conditions which will permit the three million Afghan refugees to return to their homes with honor.

In our efforts to advance the Middle East peace process and to promote the resolution of conflicts elsewhere in the region, we recognize that the necessary spirit of accommodation can grow more easily if friendly states feel secure and confident of U.S. support.

Important steps have been taken to bolster the confidence of key countries in our commitment to their security. In a time of budget stringencies, we have, with considerable sacrifice, increased the national resources for our own military, to develop their capability to deter threats to the region.

We must provide the resources commensurate with the need to strengthen the economies and defense capabilities of key countries in this vital area of the world, if we are to advance major U.S. national interests.

The levels and terms of our proposed assistance have been carefully developed within the constraints of our budget stringencies and the President's economic program, and are the amounts needed to meet the essential requirements of the countries of this region.

Our fiscal year 1984 foreign assistance request for the Near East and South Asia will fund six major programs: $3,625 million Foreign Military Sales Guarantees (FMS); and $1,095 million in grant Military Assistance Programs (MAP).

Including forgiven FMS credits for Israel and Egypt; $11.22 million in International Military Education and Training (IMET); $1.817 million in Economic Support Funds (ESF); $269.8 million in Development Assistance (DA); and $588 million in Public Law 480. [8]

It is important to note here that the fiscal year 1983 Continuing Resolution fell substantially below the level of our re-

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[4] For text of President Reagan's September 1, 1982, proposal for peace in the Middle East, see *American Foreign Policy: Current Documents, 1982*, p. 753.

[5] For text of Resolution 242, adopted unanimously by the U.N. Security Council on November 22, 1967, see *ibid., 1967*, p. 616.

[6] For text of Resolution 338, adopted unanimously by the U.N. Security Council on October 22, 1973, and U.S. statements made before the Security Council, see Department of State *Bulletin*, November 12, 1973, pp. 598–604.

[7] For text of the two Camp David Accords, "Framework for Peace in the Middle East," and "Framework for the Conclusion of a Peace Treaty Between Egypt and Israel," signed on September 17, 1978, see *American Foreign Policy: Basic Documents, 1977–1980*, pp. 653–657.

[8] 68 Stat. 454, known as the Agricultural Trade Development and Assistance Act of 1954.

quest for the region, particularly regarding programs for Southwest Asian countires. The amount received is inadequate to meet our minimum security requirements in the area. Therefore, we are requesting a fiscal year 1983 supplemental of $251 million for Lebanon and $205.5 million to make up shortfalls in the 1983 program for other Near East and South Asian countries.

Our highest priority continues to be furthering the Middle East peace Process to bring a just and lasting end to the turmoil that has engulfed and threatened this area for so many decades. As events of the past year demonstrated, there are no quick and easy solutions for peace in the region, and resort to armed conflict remains an ever present danger. However, the tragic conflict in Lebanon may provide us with new opportunities to expand the peace process, as stated in the President's Middle East peace initiative last September.

Israel and Egypt remain our principal partners in the quest for peace, and these two nations are the largest recipients of our proposed foreign assistance for fiscal year 1984. This assistance is aimed at ensuring their security and economic well-being as they continue to take risks in pursuing the peace process begun at Camp David. Other states critical to the peace process such as Jordan and Lebanon require our continued support if they are to attain the necessary political and economic confidence to join the peace process. Our program also seeks to encourage economic and social cooperation in the region.

In support of this critical peace effort we are requesting: $3,130 million in FMS, of which $1,000 million is forgiven; $1,570 million in ESF; $4.75 million IMET; $260.8 million in Public Law 480 funds; and $6 million in Development Assistance.

Israel.—Support for Israel's security and economic well-being has been a fundamental tenet of American foreign policy for the past 34 years. As we implement and expand the process of peace, Israel requires tangible evidence that the U.S. commitment to this process in no way reduces our commitment to Israel's continued security.

We must ensure that Israel maintains its technological edge in military capability in the region. At the same time we recognize that a strong economy is an essential foundation to Israel's security. Hence, the proposed $2,485 million fiscal year 1984 military and economic assistance package for Israel continues to be our largest bilateral aid program.

The $1,700 million FMS request for Israel includes $550 million forgiven credits. As further assurance for Israel's security, we have increased the FMS level by $300 million for fiscal years 1983 and 1984.

The proposed $785 million Israeli ESF program is to be all grant. This program provides funds on a cash transfer basis to support Israel's balance of payments. Thus, Israel can import essential civilian goods and services without overly heavy reliance on high cost commercial borrowing or drawing down foreign exchange reserves. The terms of our assistance were set after careful analysis of Israel's security and economic requirements.

Egypt.—Egypt remains the key to much of what we hope to accomplish in the Middle East. Our sustained support reflects our continued full partnership with Egypt in pursuit of peace in the region. The Mubarak government supports President Reagan's September 1, 1982 peace initiative, as well as our efforts to resolve the crises in Lebanon, and has called for PLO recognition of Israel. Egypt also shares our commitment to security and stability in the critically important Southwest Asia region in the face of encroachments by the Soviets and their surrogates.

The requested fiscal year 1984 FMS funding for Egypt of $1,300 million includes $450 million in forgiven credits. This is a strong affirmation of our long-term military supply relationship with Egypt. FMS for fiscal year 1984 will be devoted to progress payments on purchases made through 1983, follow-on support, and some start-up costs for programs initiated in 1984.

Equal attention must be paid to maintaining the growth of Egypt's economy and sustained expansion of key sectors of the country's infrastructure. Economic aid will include $250 million in Public Law 480 Title I and grant ESF of $750 million. The ESF program consists of up to $300 million in Commodity Import Program support and roughly $450 million in project and sector assistance. Emphasis will be on increasing agricultural and industrial productivity and rehabilitation

and expansion of water and sewer systems in Egypt's major cities.

Lebanon.—Lebanon deserves our special consideration. I shall not dwell on the destruction in that country as the result of last year's conflict. We are all aware of those sad events. It is critically important for us now to demonstrate, in a concrete way, the United States' commitment to Lebanon's reconstruction and restoration as a sovereign and independent nation. Reconstruction of infrastructure is urgent and requires immediate ESF funding to help get projects underway before the fiscal year 1984 appropriations cycle can be completed.

For these reasons we have requested a supplemental for fiscal year 1983 of $150 million ESF, $100 million FMS Guarantees and $1 million IMET. The ESF level requested in the supplemental will be obligated throughout the remainder of fiscal year 1983 and in fiscal year 1984. We expect that the FMS and IMET will be obligated during fiscal year 1983. Therefore, no ESF is being requested for Lebanon for fiscal year 1984; only FMS of $15 million and $750 thousand in IMET funds.

The security needs of that war-torn country require our urgent attention. By assisting the Lebanese Armed Forces (LAF) to increase its capability, we are helping the central government reassert and extend its authority throughout the country. An increase in the effectiveness of the LAF in maintaining internal security will permit the eventual withdrawal of the Multinational Forces (MNF).

The FMS program will be supported by the slightly increased IMET program which will improve overall training of the LAF. Equipment and training needs of the LAF, while urgent, are paced by the availability of military manpower. FMS and IMET funds sought in the Supplemental are matched to the ability of the LAF to absorb them. Lower FMS and IMET levels are sought in fiscal year 1984 because the major LAF buildup should have been achieved by then.

ESF funds will be used primarily to rehabilitate and reconstruct basic infrastructure, such as potable water systems, telecommunications, and public health services, as well as for helping American institutions of higher learning in Beirut maintain their valuable, long-standing presence in the Middle East.

Jordan.—The proposed fiscal year 1984 security assistance program for Jordan consists of $115 million FMS guarantees and $20 million ESF.

Our assistance is important to Jordan's security and economic well-being, which is essential if that country is to gain sufficient confidence to enter the peace process at this critical juncture. Jordan plays a role in bolstering Gulf security and helped the Habib mission in Lebanon by receiving PLO fighters from Lebanon. Our strong support is crucial to Jordan's ability to continue to take steps of this kind in support of our shared objectives of furthering the peace process and enhancing regional security.

Jordan has an urgent requirement for more modern armament in the face of the vast Soviet resupply of hostile Syria, especially for air defense. FMS financing assists Jordan to acquire those items most critical to its legitimate self-defense needs.

ESF funds will aid the development of water and waste water systems, health programs, agricultural programs, and Jordan Valley irrigation projects, as well as provide development training. IMET funds enhance the professional capability of Jordan's armed forces and assure that Jordan can continue its training and advisory assistance role in the region.

Under the supplemental request for fiscal year 1983, Jordan would receive an additional $35 million in FMS, for a total of $75 million FMS Guarantees.

Middle East Regional.—The regional program request for fiscal year 1984 consists of $6 million in Development Assistance, $15 million in grant ESF and $1.9 million for Public Law 480 Title II.

The ESF furthers the Middle East Peace Process by addressing objectives that cannot be met through conventional bilateral programs. Much of the program is focused on efforts to develop mutual understanding through collaborative research projects between Israel and Egypt and to sustain our development efforts in the West Bank and Gaza, areas of importance to the peace process. Development assistance provides continuation of a scholarship program at the American University in Beirut and the development of Near East assistance projects.

Under the fiscal year 1983 supplemental request, this program would receive an additional $2.5 million in ESF, for a total of $15 million.

The Southwest Asian/Persian Gulf region, a critical source of energy to the free world, is simultaneously threatened by the Soviets through Afghanistan and radical forces from within. Our program is directed at supporting our efforts to bolster the security of countries both in the region, and en route, which are crucial for U.S. access to and presence in the region in times of crisis. Almost all of the countries, from Pakistan in the East, to Oman and Yemen, and to Tunisia and Morocco in the West, face serious economic problems and potential subversion or regional threats from Soviet proxies. All are important, not only to our strategy for the security of Southwest Asia, but, potentially to the prospects for peace in the Middle East as well. Many also face severe economic problems which must be addressed if they are to remain stable. Through our assistance, we must provide tangible evidence of the concern we share about the threat to the security of this region.

For those Near East and South Asian countries that are part of this crucial region we are requesting: $495 million in FMS guarantees; $95 million in MAP; $47 million in DA; $247 million in ESF; $106.3 million in Public Law 480; and $5.8 million in IMET funds.

Pakistan.—The security and stability of Pakistan is a key element in maintaining stability within South and Southwest Asia. Our renewed security relationship with Pakistan derives from that country's position as a frontline state facing Soviet aggression in Afghanistan. In addition to the direct threat this aggression poses to Pakistan's security, it has created the largest single refugee problem in the world with over 2.8 million Afghan refugees flooding into Pakistan over the past 3 years. Pakistan has been extremely generous and forthcoming in granting long-term first asylum to these refugees and providing a major share of the resources to care for them.

We are proposing for Pakistan $225 million in ESF ($75 million in loans and $150 million as grant), $300 million in FMS guarantees, $50 million in Public Law 480, and $800,000 in IMET for fiscal year 1984. These amounts reflect the continuing implementation of our 1981 agreement to provide Pakistan with $3.2 billion in economic and military assistance over a 6-year period, subject, of course, to Congressional appropriation. This agreement was reached after extensive consultations with the Congress.

Our economic assistance to Pakistan is designed to: strengthen that country's capacity to sustain self-generating internal development over the near and longer term; meet the country's short- and medium-term foreign exchange needs through quick disbursing activities; and encourage and support economic adjustments that will help restore long-term stability to Pakistan's balance of payments. Where feasible, we are using program resources to develop economic alternatives to opium production and to induce the Government of Pakistan to tighten enforcement of the ban on poppy cultivation. Our development projects focus on agriculture, rural development, energy, private sector development, water management, population and health, and programs for the underdeveloped areas of Baluchistan and the Northwest Frontier Province.

The FMS and IMET components are designed to assist Pakistan to achieve a minimum level of military modernization necessary to meet its legitimate defense requirements, specifically those arising from the changed strategic situation in the region resulting from the Soviet invasion of Afghanistan. The modernization of Pakistan's armed forces to be supported by FMS financing will be relatively modest, consisting primarily of replacement of obsolete equipment.

The economic and military components of our security assistance program—by promoting economic growth and stability and helping to meet minimum defense requirements—combine to strengthen Pakistan in its stand against Soviet expansionism in the region. We believe that strengthening Pakistan's conventional military capacity will enhance its security and may help remove the underlying incentive for the acquisition of a nuclear weapons capability.

Under the supplemental fiscal year 1983 request, Pakistan would receive an additional $75 million in FMS Guarantees, for a total of $275 million FMS. The Administration believes every effort must be made to provide the $75 million and thus bring FMS up to proposed levels for fiscal year

1983. Based on our 1981 understanding, the Pakistanis have made obligations to U.S. defense contractors which for fiscal year 1983 alone exceed $550 million. If targeted levels are not reached, the Pakistanis will be hard pressed to meet their obligations. Moreover, we are at an early, sensitive stage of our renewed relationship with Pakistan. A significant shortfall at this time would severely complicate efforts to build a credible relationship with the Government of Pakistan which is essential to accomplishing our strategic objectives.

Morocco.—For Morocco we propose $19 million in Development Assistance, $34.5 million in Public Law 480, $7 million in ESF, $30 million in MAP, $60 million in FMS credits and $1.7 million in IMET. This continuing level of support reflects the serious economic difficulties that Morocco faces, as well as our support for that country's military modernization program.

Strategically located, Morocco has a long record of cooperation with the United States. The Government has consistently taken moderate pro-Western positions on issues of mutual concern and its moderation also extends to its internal policies. Our relations with Morocco have been strengthened over the past year, with several exchanges of high level visits and the agreement by Morocco to provide transit access.

The Development Assistance program contains a significant allocation for expanded efforts in rainfed agriculture, as well as programs for family planning, nutrition and resource development. After agreement with King Hassan in May 1982, we are proposing the beginning of an ESF program for Morocco in fiscal year 1984. To augment the Development Assistance program, $7 million ESF is being requested.

As a key country in North Africa, it is in our interest to see Morocco maintain a suitable level of military preparedness. The FMS credits will help finance completion of more sophisticated defense systems, including air surveillance equipment, anti-armor weapons, and will purchase spare parts and services for previously supplied U.S. equipment. IMET funding will provide increased training opportunities for Moroccan military personnel directly related to the ongoing modernization program of the Moroccan armed forces.

Tunisia.—Tunisia, a friend of the United States and a force for moderation in the Arab world, is vulnerable to Qadhafi's adventures and looks to us for tangible support against Libya and other radical influences in the region. For this moderate, strategic country, we are requesting $90 million in FMS, $50 million in MAP, $1.7 million in IMET and a total of $11.1 million in Public Law 480.

Although we do not intend to obligate any new Development Assistance funds or ESF to Tunisia, programs funded earlier will continue to operate for several years. We will also support Tunisian development through a Public Law 480 program aimed at improving the stagnant agricultural sector.

The security assistance, substantially the same level requested last year, will permit funding of a minimal needed defense capability in the form of F–5 interceptor aircraft, M–60 tanks, Chaparral missiles, and perhaps lesser equipment. IMET funds will provide accompanying technical and professional training for members of the Tunisian military. The $50 million MAP in fiscal year 1984 will enable the Tunisian Government to make essential improvements in its military without adversely affecting the country's economic development.

Under the fiscal year 1983 supplemental request, Tunisia would receive an additional $43 million in FMS and $30 million in MAP, for a total of $105 million in FMS Guarantees and $35 million in MAP.

Omán.—For Oman, we are requesting $45 million in FMS guarantees, $100 thousand in IMET, and $15 million in ESF.

By providing modest military and economic assistance, we demonstrate that we are prepared to support the very real security needs of this strategic country which shares a common border with Soviet-backed South Yemen, and which has granted the U.S. access to military facilities.

Our military facilities in Oman are crucial to any effort to halt aggression in the Gulf area. Our FMS program provides funds to assist the modernization of Oman's armed forces so that they would have the means to help defend these facilities.

In an effort to broaden our relationship with Oman beyond its security aspects, the United States-Oman Joint Commission was established in 1980 in conjunction with the facilities access agreement. We provide $5 million a year in ESF grants to fund the operation of the Joint Commission, feasibility and design studies, technical assistance and training. A $10 million ESF loan program has thus far concentrated on water resources and is programmed in fiscal 1984 for school construction.

Under the fiscal year 1983 supplemental request, Oman would receive an additional $10 million in FMS, for a total of $40 million FMS Guarantees.

Yemen.—For the Yemen Arab Republic (YAR) we propose $28 million in Development Assistance, $15 million in MAP, $1.5 million in IMET and $3 million Public Law 480 Title I.

The YAR concluded a ceasefire with Marxist-led guerrillas last summer, but the threat of outside military aggression persists. In addition, Yemen, one of the poorest nations in the region, experienced a destructive earthquake in December, and is facing a reduction in remittance from Yemen's workers in the oil producing gulf states. It requires substantial assistance to cope with its economic problems.

Development Assistance will continue a series of programs designed to meet basic human needs. MAP assistance is required because the YAR is increasingly reluctant to utilize funds which would add to its medium-term debt burden.

Under the fiscal year 1983 supplemental request, Yemen would receive an additional $6 million in FMS credits, for a total of $10 million FMS, and $4 million in MAP, for a total of $5 million MAP.

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Document 277

Prepared Statement by the Assistant Secretary of State for Near Eastern and South Asian Affairs (Veliotes) Before a Subcommittee of the House Foreign Affairs Committee, June 2, 1983 (Extracts)[9]

Middle East Policy Update

Mr. Chairman, Members of the Subcommittee: I am grateful for this opportunity to discuss with you recent events in the Middle East and policies the United States is pursuing.

As I and my predecessors have said to this subcommittee many times, peace, security and well-being for the nations of the Middle East are critical to a broad range of American interests. That is why we continue to place such high priority on a comprehensive and balanced policy to protect these interests, which include:

Meeting responsibilities we bear, because of our role in the world and our deep ties to the Middle East, to work for the settlement of conflicts there which stand in the way of progress and endanger international security, especially the Arab-Israeli dispute and the struggle for a fully sovereign Lebanon;

Assuring the security and contributing to the welfare of friendly nations in the region;

Prevention of wider Soviet influence in this strategic region;

Supporting major U.S. economic interests, including access to oil and markets for U.S. goods and services, and assisting in meeting the economic development needs of the region; and

Cooperating with the more well-endowed states of the area to maintain a healthy international financial and economic order.

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[9] Source: *Developments in the Middle East, June 1983: Hearings Before the Subcommittee on Europe and the Middle East of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 5–8. For Veliotes' additional remarks relating to Lebanon, see document 360.

In support of these broad interests, the policies of highest priority which we are currently working to advance are:

A just and lasting solution to the long-standing and bitter Arab-Israeli conflict through negotiations, as proposed by President Reagan in his peace initiative of September 1, 1982;

The restoration of a peaceful, independent, and fully sovereign Lebanon through full implementation of the Agreement between Lebanon and Israel of May 17, 1983, [10] and the withdrawal of all foreign forces;

Economic and military assistance to friendly nations of the region to enable them to defend themselves and deter threats from the Soviet Union and its proxies, as well as arrangements for strategic cooperation for access in times of threat.

We also continue to support a peaceful settlement of the tragic and costly war between Iran and Iraq.

The pursuit of these policies contributes to the fundamental goal of U.S. foreign policy: the promotion of U.S. national interests by working to create an international environment in which free and independent nations of the world, including those of the Middle East, can realize their rightful aspirations and the blessings of peace and progress.

I would like to discuss the situation in Lebanon, the peace process and a few other matters in greater detail.

. . . . . .

The focus of attention and diplomatic activity recently has been Lebanon. But the most fundamental and challenging issue in the Middle East remains the search for peace between Israel and the Arab States, including security and recognition for Israel, and realization of the legitimate rights of the Palestinian people. I want to emphasize that although we have been intensely involved in the Lebanon question recently, we are determined to move forward in pursuit of President Reagan's peace initiative of September 1, 1982, which addresses the need for a just and lasting resolution of the Arab-Israeli conflict.

The President's initiative reflects a long tradition of U.S. leadership in the quest for peace in the Middle East. We have experienced many setbacks and frustrations over the years. But progress has been made, in part because of our determination and leadership.

We were instrumental in 1967 in the adoption of UN Security Council Resolution 242, and subsequently Resolution 338, which laid down the concept of a simple trade off: Israel would give up territory occupied in 1967 in return for peace, recognition and guaranteed international boundaries, and Israel and her Arab neighbors would negotiate to this end. These resolutions remain the basis of U.S. policy in the Middle East today.

At Camp David in 1978, we brought Israel and Egypt together in negotiations that led to the historic peace treaty between those two former enemies. [11] That treaty, based on principles of Resolutions 242 and 338 was a triumph of diplomacy over thirty years of war and hostility. These principles must be applied as well in achieving peace between Israel and Jordan and Israel and Syria.

President Reagan's peace initiative, which is based on Resolutions 242 and 338 and the Camp David accords is an effort to reinvigorate the peace process. It offers incentives for other parties—most immediately Jordan and the Palestinians—to join the peace process. It represents a delicate balance of two principles essential for Middle East peace. It recognizes both Israel's right to exist behind safe and secure borders and the legitimate rights and just requirements of the Palestinians. In our view, these principles are best achieved by self-government for the Palestinians of the West Bank and Gaza in association with Jordan.

We are encouraged that the President's initiative has received wide bipartisan acclaim in the United States and we are gratified by the support of our European friends, which we greatly value. We are also encouraged by support for the President's proposals we have received from

[10] See document 357.

[11] For text of the Treaty of Peace Between Egypt and Israel, signed at Washington on March 26, 1979, see *American Foreign Policy: Basic Documents, 1977–1980*, pp. 669–683.

moderate Arab leaders. In this connection, the communique of the Arab Foreign Ministers at Fez last fall [12] indicated that the moderate Arab States now recognize that the question is not whether to make peace with Israel, but how best to do so.

In Israel, despite the Government's rejection of the President's initiative, there is a longing for peace. Our proposal has sparked a lively dialogue and widespread new interest in realistic, compromise solutions to the Palestinian dilemma and Israel's security. These are positive signs.

We are keenly aware, on the other hand, of the obstacles that have thus far stood in the way of negotiations under the President's initiative. We understand and share King Hussein's frustrations with the lack to date of Arab support for Jordan's early entry into the peace process. King Hussein continues to support President Reagan's September 1 initiative, and he wants very much to join in the peace process based on the President's proposals. Other moderate Arabs have also told us they want time to help restore momentum to our efforts, and they want us to continue to support King Hussein. The door is still open. We stand ready to consult further with these Arab leaders. Our peace initiative remains on the table and will not be withdrawn. We will continue to work to move the process forward.

Mr. Chairman, when I last met with the Committee we were unable to address the Iran-Iraq issue because of lack of time. That devastating war is another conflict that endangers the peace and stability of the Middle East and Persian Gulf. I wish to reaffirm U.S. support for a prompt, just and peaceful resolution of this terrible war, whose cost in human and economic terms is vast and tragic. Recently, a major oil spill in the Gulf from wells damaged in the war has created a very serious threat to the marine and coastal environment as well.

We will continue to support a negotiated settlement of this war in accordance with the principles of international law, including support for the territorial integrity of both combatants and nonintervention in the internal affairs of another State. As in the past, we remain neutral in this conflict, and stress the importance of independence and security for all States in the Gulf region.

At the moment, it is difficult to assess the prospects for a negotiated end to the Iran-Iraq war, although there has been considerable activity in this area recently. A delegation from the Gulf Cooperation Council composed of the Foreign Ministers of Kuwait and the United Arab Emirates, visited both Tehran and Baghdad in early May. They reported to the Gulf Cooperation Council in mid-May and are awaiting a further indication of intent by Iran before making a second visit to Tehran and Baghdad. The Prime Minister of Algeria visited Tehran in May and, according to official Iranian statements, discussed the war with senior Iranian officials. Also, a team from the United Nations has been inspecting war damage to civilian areas in both Iran and Iraq at the invitation of both countries. Such contacts are encouraging, and we hope they will help open the way to negotiations for a peaceful settlement, but we have no basis for predicting that this will happen soon.

Let me say in conclusion, that this is a period of change and opportunity in the Middle East. The Lebanon-Israel agreement, the President's September 1 initiative and signs of a growing recognition in the region that continued armed conflict is futile for all, offer hope that peace is possible. As the President's peace initiative demonstrates, the United States remains committed to playing a central role in the search for peace and security in the Middle East. We are uniquely suited to this role because of our profound interests in the region and our strong ties to both Israel and the Arab States. We do not minimize the formidable barriers that still lie in the way, but we are determined to continue our efforts, working with our friends in the region, to surmount these obstacles.

[12] The heads of state of 15 Arab League countries held a summit conference in Fez, Morocco, September 6–9, 1982. For text of the portion of the final declaration that deals with the Arab-Israeli dispute, see *ibid.: Current Documents, 1982*, p. 758.

Document 278

Prepared Statement by the Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs (Pelletreau) Before a Subcommittee of the House Foreign Affairs Committee, September 26, 1983 [13]

Principal Middle East Policies

Mr. Chairman, Members of the subcommittee: I appreciate this opportunity to testify before you today on recent developments in the Middle East and to describe our current policies. Before we begin our discussion, I would like to make some brief introductory remarks.

American diplomacy in the Middle East continues to be dedicated to the resolution of conflicts which threaten both regional and international peace and security and endanger critical U.S. political, security and economic interests.

Those conflicts, which we discussed at our last meeting in early August [14]—the crisis in Lebanon, the Arab-Israeli dispute, the war between Iran and Iraq and Libya's aggression in Chad—are far from being resolved.

Let me turn first to Lebanon. The cease-fire announced September 25 gives hope that the turmoil and violence in that long-suffering country may soon be brought to an end and replaced by a genuine process of national dialog and reconciliation. Lebanon is important to us, not only because of our friendship for the Lebanese and our humanitarian concern for their plight, but because events in Lebanon, lying as it does between Israel and Syria, affect the peace and stability of the entire area. That is why we are so deeply involved there.

I would like to restate the principles governing our policy in Lebanon:

—The withdrawal of all external forces;

—A sovereign Lebanon under a stable central government, dedicated to national unity and able to exercise control throughout its territory; and

—Security of Israel's northern border.

One hardly need be reminded that in recent weeks, the path toward these goals has become even more tortuous. Widespread fighting erupted in the Shuf and Alayh regions following the redeployment of Israeli forces south of the Awwali River. Factional fighting between PSP and Phalange militias was exacerbated and expanded by the introduction of Palestinian fighters into the fray and by the initiation of attacks on the forces of the central government. Syrian forces not only have been supplying the PSP and Palestinian combatants but also continue to occupy eastern and northern Lebanon, representing an obstacle to the full withdrawal of Israeli forces from the south, as foreseen under the May 17 Agreement. Until yesterday's agreement Lebanese confessional leaders had failed to respond to President Gemayel's invitation to enter into a national dialog that could lead to internal reconciliation. And Syria had compounded its unhelpful role by encouraging such intransigence and fueling the continuation of internal turbulence in Lebanon. We hope that yesterday's agreement marks a new beginning among all parties involved, and that this morning's cease-fire will evolve into the basis for a permanent peace.

Our basic policies have not changed in the face of these challenges. We believe our goals in Lebanon are just and attainable, and we are determined to persevere.

We have intensified our diplomatic efforts, through the mission of Ambassadors McFarlane and Fairbanks, in support of the Government of Lebanon's efforts toward national reconciliation and the withdrawal of all foreign forces. The first step has now been achieved—a negotiated cease-fire, as a prelude to a political accommodation among the factions, withdrawal of foreign forces and the reestablishment of Lebanese Government authority. The framework of such a cease-fire was urgently discussed over the past two weeks and has now been agreed to by all

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[13] Source: *Developments in the Middle East, September 1983: Hearing Before the Subcommittee on Europe and the Middle East of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1984), pp. 3–15.

[14] For Pelletreau's testimony of August 3, 1983, see *Developments in the Middle East, August 1983: Hearing Before the Subcommittee on Europe and the Middle East of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 5–42.

the parties. Political dialog and reconciliation must now be urgently addressed.

Our Marines, as part of the Multinational Force in Lebanon, have been a stabilizing influence in this process. The Marines are there to provide a supporting presence requested by the Lebanese Government. Their job has been to help the Government and the Lebanese Armed Forces restore Lebanese authority and sovereignty over the Beirut area and to end the violence there. They have performed this mission magnificently. We grieve the loss of the four Marines who have given their lives, but we can also be proud of the Marines and the contribution they are making to Lebanon.

The mission of the Marines has not changed, in spite of the recent escalation of violence. I want to emphasize, as other U.S. spokesmen have, that our Marines do not have a combat role. The rules of engagement remain that they will defend themselves if military action from any quarter interferes with their mission. We believe there is no concerted effort to target the Marines or other MNF contingents. But they are in an area where there is violence, and they must therefore be able to defend themselves. I can assure you that they will. We have no intention of increasing the number of Marines ashore, expanding their area of operation or changing their role. On the other hand, we will provide sufficient military power offshore to bolster the Marines' own means of self-defense.

We are pleased that an agreement has been reached among the bipartisan leadership of the Congress to introduce and seek to enact a resolution authorizing the continued presence and mission of the U.S. peacekeeping forces in Lebanon. While the President has indicated that he has substantial reservations about parts of the resolution, he has also indicated that he would be willing to sign the proposed resolution while expressing his reservations, if it is passed in the form that was presented to him. As the President stated, we are pleased that this proposed resolution not only supports our policies in Lebanon but now enables us to advance U.S. peacekeeping interests on the solid bipartisan basis that has been the traditional hallmark of American foreign policy.

In the current debate over the U.S. role in Lebanon, it is worth reemphasizing that we are engaged in a truly international effort there. Our Marines are part of a multinational force in which French, Italian, and British troops are also performing valiantly and suffering casualties, on behalf of peace in Lebanon. Ambassador McFarlane's good offices are part of a larger diplomatic effort among many nations. Saudi Arabia, for example, which has unique access to many of the Lebanese parties, has played a consistent and helpful diplomatic role and has been particularly helpful in engineering the current cease-fire. Egypt and Jordan and our European allies have also been supportive in a number of ways. The United States is not "going it alone" in Lebanon.

There are other positive elements which also deserve attention as we view the current crisis in Lebanon.

President Gemayel is making an earnest and urgent effort to restore national unity. His statement with his Council of Ministers on August 31 calling on the leaders of Lebanon's confessional communities to join him in a dialog aimed at a new national approach to political reconciliation was an important initiative which has been genuinely advanced and maintained and which has our full support.

The worthy performance of the Lebanese Armed Forces in supporting the Government's efforts to restore order and reassert its authority is another encouraging development. The professionalism, unity and courage of this small army, which draws its members from all of Lebanon's religious communities, is a demonstration of what can be achieved on a broader scale in Lebanon. U.S. training and the assistance we have provided the Lebanese Armed Forces have been a sound investment. In less than one year, an army that previously had been relegated to the barracks has recruited, trained, and fought. Competent leadership has emerged, and soldiers drawn from all of Lebanon's many confessions have stood side-by-side in combat.

Notwithstanding these positive elements, the problems which face the Government of Lebanon are formidable.

The hesitancy of some Lebanese leaders to accept President Gemayel's call for negotiations leading to a cease-fire and political talks has been discouraging. We understand the legacy of mistrust and division which lies behind this stubbornness. But Lebanon's communities have lived to-

gether in peace before. They can do so again.

The process of national reconciliation can advance, however, only if Lebanon's colossus to the east agrees. Syria's refusal thus far even to discuss terms under which it would withdraw its forces has caused Israel to delay withdrawal of its own forces.

Syria has said in the past that it would withdraw its forces when the Government of Lebanon says they are no longer needed. On September 1 the Lebanese Government said this, loudly and clearly, by formally requesting the departure of Syrian troops. We hope Syria will heed this request.

The United States recognizes that Syria has legitimate security interests in Lebanon, but we do not recognize its right to destabilize its neighbor or to occupy it permanently. We are continuing our dialogue with Syria in the hope that this will ultimately lead to negotiations between Lebanon and Syria and the withdrawal of all foreign forces, Syrian, PLO, and Israeli, from Lebanon.

Although Lebanon has preoccupied our diplomacy in the Middle East in recent months, our most fundamental goal remains a broader peace based on Resolution 242 and the Camp David framework. In an address on August 27,[18] President Reagan strongly reaffirmed the U.S. commitment to the peace initiative he first announced on September 1, 1982. This initiative, he said, is "definitely alive and available to those parties willing to sit down together and talk peace" and the positions set forth in that initiative remain "the only realistic basis for a solution that has thus far been presented." The President's initiative embraces our firm commitment to the security of Israel and of all the states of the region as well as a fair and practical resolution of the Palestinian problem through negotiations.

Unfortunately, neither Israel nor its Arab neighbors have yet decided to grasp the opportunities afforded by the President's initiative. Israel's continued settlement activities, which we oppose, undermine Arab confidence in the willingness of Israel to trade territory for a negotiated peace. Moreover, division and mistrust among Palestinians and the refusal of the PLO and some Arab States to recognize Israel's right to exist are serious barriers to reinvigorating the peace process. The United States stands ready to assist in this process, and will be in a position to act effectively when both Israel and its Arab neighbors grasp the opportunity for peace the President has offered.

The recent resignation of former Prime Minister Begin and the transition in Israel to a new government will not affect our fundamentally sound relationship with Israel, our steadfast commitment to its security, or our hopes that Israel will join its neighbors in seeking peace.

We will also continue to emphasize the importance of close and friendly relations with Jordan. King Hussein still believes that the President's September 1 initiative is the only practical avenue to peace, and Jordan remains willing to enter into negotiations with Israel if it can obtain adequate Arab support. Furthermore, Jordan shares with us an interest in the stability of the area and has actively aided other moderate countries in their defense. We must ensure that U.S. policy, including our economic and security assistance programs, continue to support Jordan.

Egypt also has an important role in the peace process launched at Camp David, and our relationship remains one of full partnership. We value the support President Mubarak's government has given to the President's peace initiative as well as Egypt's support for the government of President Gemayel in Lebanon. We will continue to place a high priority on close cooperation with Egypt and to support Egypt's efforts to advance its economic development and maintain its security. President Mubarak is aware of the need for economic reform and has stimulated new thinking on economic policy. We wish to support the reform process, and deobreob authority is an important test for us. A strong Egyptian economy will yield us commercial benefits such as the recent $300 million sale of Boeing 767 aircraft.

I am pleased to report that U.S. and Egyptian forces recently completed an extremely successful joint training exercise—Bright Star '83—which demonstrated the ability of Egyptian and American forces to work together in ways that would be useful in responding to threats to our mutual interests in the region.

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[18] See document 293.

At our last meeting, I mentioned our growing concern with another conflict in an area adjoining the Middle East, Libya's armed aggression in Chad. Libya still occupies a large portion of northern Chad, but the French decision to send troops and combat aircraft has clearly had a deterrent effect on Qadhafi's willingness to move further south. The United States has been assisting with defense articles and services to the Chadian Government under the Foreign Assistance Act. The Libyan presence hinders efforts toward reconcilation among the factions in Chad, and is also a menace to the neighboring states. Our policy is to obtain Libya's withdrawal, a resolution of this conflict by peaceful means and to preserve Chad's territorial integrity. We strongly support the efforts of France and multinational efforts by the OAU and the United Nations to achieve Libyan withdrawal and stability in Chad.

The war between Iran and Iraq continues to take a heavy toll in lives and treasure, and it also presents a continuing threat to U.S. and Western interests. The prospects for a negotiated settlement have not improved. The longer this war of attrition lasts, the greater the risk will be that either Iran or Iraq will risk some desperate military escalation in the Gulf that would widen the war. We would regard as especially serious any threat by either party to interfere with free navigation or act in a way that would restrict oil exports from the Gulf.

I wish to reemphasize, as we have made clear to both Iran and Iraq, that the unrestricted flow of oil from the Gulf is vital to the entire international community. Our commitment to freedom of commerce and navigation in the international waters of the Gulf is firm. Even if Iran and Iraq cannot come to grips with the basic issues that divide them and to make peace, we expect them to respect this principle.

One bright spot amid the warfare has been the measured improvement in our dialog with Iraq. Iraqi Under Secretary Kittani's recent visit to Washington included calls on this committee and other members of Congress and staffers, as well as discussions with senior administration officials. Ambassador Kittani also devoted much of his time to interviews with the media and private American groups interested in foreign affairs. His visit was an eloquent statement of the value Iraq and the United States place upon coming to understand each other more accurately than has been possible in the past. We are narrowing the differences that remain in our approaches to several issues, and there are important common interests that provide bases for increased cooperation. Of these, the most significant is the strong desire which the United States shares with all the peoples of the region for an immediate end to the Iran–Iraq War, so that both Iranians and Iraqis can get back to the development of their countries without outside interference.

Mr. Chairman, I have only touched on the major conflicts in the Middle East which concern us most, without mentioning many other important political, economic, and strategic issues that affect American interests in that region. We intend to persist in our efforts to help solve these conflicts, working with other friendly nations in the process, and to pursue our other interests with patience and firmness. Our major interests in that region will continue to demand a sustained U.S. effort, notwithstanding the many difficulties we face. We are making that effort.

B. The Arab-Israeli Dispute

Document 279

Transcript of a Department of State Briefing, January 27, 1983 (Extract) [1]

Proposed Participants in the Peace Process

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[1] Source: Department of State files. The briefing was conducted on background by a senior Department of State official, beginning at 6 p.m., and was held for members of the Egyptian press during the visit of President Mubarak. Regarding his discussions with President Reagan, see document 311.

Q. King Hussein was here a month ago.[2] I think it was declared that he is due to come next month to Washington in order to reach another time. I want to ask, have you reached something concrete with him during his last visit?

A. King Hussein was here. Whether he comes back again in a month remains to be seen. But at any rate, we had several days of very intense and worthwhile meetings with King Hussein.

King Hussein, I believe, basically supports the President's initiative. And like President Reagan, like President Mubarak, like, I think, Prime Minister Begin, he wants peace. He is willing to work for it.

The process of constructing the right atmosphere and the right conditions to enter these negotiations is something that we talked with him about in great detail; how to enter, what the conditions should be, what to expect, what will the steadfastness of America—he's very interest[ed] in, of course—and we discussed all these things a lot. I see and know that he is talking with his peers and advisors, the Palestinian groups and so forth about it.

We hope that before long he will feel that he is in a position to make a positive decision. Of course, that remains for him to decide. Clearly, he's welcome back in Washington at any time, but you don't have to come to Washington to decide things. Lots of times people like to do that. We're glad to have them. We all have to remember that the action is in the Middle East. That's where it is; not here. But we are very interested and we're ready to do whatever we can to move this process along.

Q. As you have stated, President Mubarak is in support of the President's initiative; also King Hussein. On the other hand, Begin is categorically against.

How do you see the basis of negotiations with one of the main parties refusing to negotiate?

A. Prime Minister Begin is in favor of the Camp David Accords[3] and the Camp David process. We feel that the President's proposals[4] fall squarely within those Accords. So he is certainly willing to come and take part in the process.

I think one should expect in any negotiation that when people start, there are differences of opinion around the table. If there weren't, there wouldn't have to be a negotiation. We don't say that everybody who comes to the table has to have the same opinion. We feel that people should come to the table dedicated to the idea that we're going to find peace, and we'll have to talk and understand each other and develop compromises, and so on.

I see no evidence whatever that Prime Minister Begin isn't ready to come and do that.

Q. What kind of conditions are put on the Palestinian delegation within the Jordanian delegation?

A. Of course, it's up to King Hussein—

Q. Can the PLO nominate the members of its delegation?

A. We believe that to have a member of the PLO in the delegation would be what in our country we would call a "non-starter." It's just not the case that Israel will sit down, and that's a fact. At the same time, I think there have to be Palestinians in this negotiation because there is going to be, in any negotiation, compromises made; somebody takes a little, gives a little. That's the nature of negotiations.

A great deal of what the negotiation is about are the rights of the Palestinians. The Palestinians are not going to accept a result in which they had no participation. You wouldn't; nobody would. They have to be represented there. Everyone agrees on that, and the Camp David Accords explicitly say that.

So that leaves you the question of who are these Palestinians who could be there. As far as we can see, I think there is a presumptive case for people who are on the West Bank or Gaza, but not necessary just that. I think they have to be people who are legitimate in the eyes of the Palestinians as their representatives.

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[2] King Hussein I of Jordan made an official working visit to Washington, December 18–23, 1982.

[3] For text of the two Camp David Accords, signed on September 17, 1978, see *American Foreign Policy: Basic Documents, 1977–1980*, pp. 653–657.

[4] For text of President Reagan's September 1, 1982, proposal for peace in the Middle East, see *ibid.: Current Documents, 1982*, p. 753.

There are quite a number of people who have standing and who aren't the PLO, and who have that status. You can't expect to have Palestinians be regarded as legitimate if they've been picked by the Israelis. You wouldn't accept somebody as your representative that the person you were bargaining with selected. So we have to have people who are legitimate in the eyes of the Palestinians.

That is always a question: How do you select such people? I think one of the geniuses of the Camp David Accords, as I see it anyway, is the provision for a transitional regime with a self-governing authority. And a self-governing authority governs by virtue of the people who are going to be governed, that is, the people on the West Bank and Gaza, who are going to be covered, select them. So that is a process in which you identify people through a legitimizing process.

It seems to me the problem of picking Palestinians, while it has its thorny aspects, is a problem possible of solution.

Q. In other words, Mr. Secretary, the mayors, to define what you have said now?

A. You could interpret it that way. I don't want to try to put something down like that and seem to be too specific because I think this is the sort of thing that King Hussein and his advisors and those who are going to instruct this, they have to decide that.

I just reiterate again, you can't dictate to people who is going to be on their negotiating team and feel that that team will have legitimacy. Maybe you can say, as a party, I won't sit down with somebody; but you can't say who they have to come with.

Q. Is it true that the American administration has excluded what you can call the league of villages, this body which the Israelis have done (phonetic) on the West Bank, the league of villages?

A. The "village leaguers"?

Q. Yes.

A. I would only just refer you to what I said earlier: I think they have to be Palestinians, and they have to be individuals who have standing and legitimacy in the eyes of the Palestinians whom they are going to represent. That's the characteristic that they have to have.

Q. Let me put another question, . . . When are you going to drop your commitment not to open a direct dialog with the PLO?

A. The conditions have been stated and restated very clearly by the President and others, namely that when the PLO, which has in its founding document a commitment to the eradication of the State of Israel, in some manner drops that, or contradicts it, and says that it agrees that Israel is a state with a right to exist and gives that measure of recognition and accepts the idea of Resolutions 242 [5] and 338 [6] as a basis for peace, when they do that, unequivocally and unambiguously, then the United States will be willing to talk with them.

Q. What about if the Palestinians or the PLO do that and there will be no reaction from the Israelis, are you going to take this step?

A. We can speak for the United States, and the President has spoken about this. He has said that, and said that flatly. And when various leaders of the Arab world have been here, he has said it to them privately. He has said it to them publicly after their private meeting, and has been asked by them, and he has told them, "You can go back and you can say this." So we have had the same message to everybody; the message has been given in direct, private discussions and in public statements. It's the same comment exactly.

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[5] For text of Resolution 242, adopted unanimously by the U.N. Security Council on November 22, 1967, see *ibid., 1967*, pp. 616–617.

[6] For text of Resolution 338, adopted unanimously by the U.N. Security Council on October 22, 1973, and U.S. statements made before the Security Council, see Department of State *Bulletin*, November 12, 1973, pp. 598–604.

Document 280

Remarks by President Reagan, February 2, 1983 (Extract) [7]

U.S. Commitment to Israel and the Peace Process

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Let me now turn to a third item that I wanted to discuss with you, the Middle East. America's commitment to Israel remains strong and enduring. And, again, I ask you to focus on deeds. Since the foundation of the State of Israel, the United States has stood by her and helped her pursue security, peace and economic growth. Our friendship is based on historic moral and strategic ties, as well as our shared dedication to democracy. We've had disagreements, as would be expected between friends, even between good friends. Our friendship continues, however, and there should be no doubt that America's commitment to Israel's security remains as it always has been.

Over the last year, our diplomats and Marines have been engaged in a campaign for peace and security in the Middle East. As I said last September, we believe that the events of the past year have created new opportunities for peace that must not be lost. The current political fluidity and general desire to break the cycle of terror and war present a special chance to bring peace to this long-troubled region. It's vital to the United States, to Israel and to all those who yearn for an end to the killing that we not let these current opportunities pass by. The proposals I made to build an enduring peace are strongly rooted in the history of the region and are designed to promote negotiations that will achieve a solution acceptable to all the parties. They are based on an historic U.S. commitment to Israeli's security. They reaffirm the Camp David Accords which deem that peace must bring security to Israel and provide for the legitimate rights of the Palestinians.

Our proposals are founded on the Camp David process and U.N. Security Council Resolutions 242 and 338, which produced the region's first meaningful peace treaty, ending the state of war between Egypt and Israel. [8]

Israel and Arab leaders must take the necessary risks for peace to take root and bloom if we are to succeed. It is riskier to do nothing, to let this time pass with no tangible sign of progress.

We share with Israel three goals in Lebanon: A speedy withdrawal of all foreign forces, a strong central government for Lebanon with jurisdiction over all its territory, and full and effective guarantees that Southern Lebanon will no longer be used as a staging ground for terrorist attacks against Israel.

To achieve these goals will require negotiating flexibility by all of the parties.

With respect to the broader peace process, again, great courage and some risk will be required on both sides. Israel must be prepared to engage in serious negotiations over the future of the West Bank and Gaza. As I've stated previously, the most significant action demonstrating Israel's good faith would be a settlements freeze. On the other hand, King Hussein should step forward, ready to negotiate peace directly with Israel.

Each of these steps is independent but related. And for all three, the time to act is now. The fight against antisemitism, the struggle for Soviet Jewry and the search for peace and security in the Middle East require courage, sacrifice and tenacity from all parties.

There are ample excuses for those who do not share our goals or dedication; but if history is the guide, those who see opportunities for peace and pursue them, who see injustice and condemn it, who fight for liberty will in the end prevail.

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[7] Source: White House Press Release, February 2, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, February 7, 1983, pp. 177–178. President Reagan spoke at 10:07 a.m. to American Jewish leaders in the East Room of the White House following a private meeting in the Oval Office with leaders of several of the organizations represented in the larger East Room meeting.

[8] For text of the Treaty of Peace Between the Arab Republic of Egypt and the State of Israel, signed at Washington on March 26, 1979, see *American Foreign Policy: Basic Documents, 1977–1980*, pp. 669–683.

We're making the future in which our children will live. Only the courage to act will insure that it is a more peaceful, secure and free world.

The Talmud tells us: "The day is short, the work is great. You don't have to finish the work. Neither are you free to desist from it." And also from the Talmud: "For God could find no vessel which was full of blessing as shalom, peace."

America knows God's blessings. Our cup truly runneth over. We seek only to share the blessings of liberty, peace and prosperity.

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Document 281

Testimony by the Assistant Secretary of State for Near Eastern and South Asian Affairs (Veliotes) Before a Subcommittee of the House Foreign Affairs Committee, February 2, 1983 (Extracts) [9]

Saudi Arabian, Jordanian, and Palestinian Roles in the Peace Process

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MR. LEVINE. . . . Allusions were made to the wisdom or lack of wisdom of the AWACS sale in colloquies we had. One of the arguments so forcefully asserted during the AWACS sale debate when the issue was presented to the Congress was that, if the AWACS were sold to the Saudis, they would be much more forthcoming with regard to the issues in the Middle East, and particularly with regard to the Camp David peace framework.

In light of those arguments, how do you assess the role of the Saudis in helping to encourage King Hussein to join the peace process?

MR. VELIOTES. That argument was one of many in support of the sale, because the basic argumentation for the sale was that this would increase our prospects for security cooperation with the Saudis. This is an interesting question because I think the Saudis have taken a public role in favor of peace with Israel that has been surprising. People may use euphemisms, but the public enunciation of the Fahd plan, [10] obviously it wasn't our plan, and it had elements in it that people rejected, but the premise of it was peace between the Arabs and Israel. And the Saudi persistence in having that adopted by the Fez conference [11]—in I believe it was October—I think was a very positive step.

Again, it is not the American plan but it does talk about peace with Israel. We believe that the Saudis—I will say it is clear, it is not a question of belief, that the Saudis were very helpful in defusing the problem in West Beirut, and have incurred some very heavy obligations as a result, particularly being blamed at least in part for the subsequent massacres in the camps. [12] And the Saudis have remained committed in Lebanon. In their own way they share the goals of the Government of Lebanon that we share, and we can expect them to continue to play a positive role.

With respect to the peace process, obviously they support the Fahd plan, and I should say the Fez declarations, and that is their public posture. There is no doubt, however, that privately the Saudis have been encouraging with respect to the need for the Jordanians and the Palestinians to come to the table.

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[9] Source: *Developments in the Middle East, February 1983: Hearing Before the Subcommittee on Europe and the Middle East of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 18–19, 27–28, 30–31.

[10] For text of Crown Prince Fahd's principles for peace, issued by the Government of Saudi Arabia on August 8, 1981, see *American Foreign Policy: Current Documents, 1981*, p. 704.

[11] On September 6–9, 1982, 15 Arab League heads of state held a summit conference in Fez, Morocco. For the portion of the text of their declaration concerning the Arab-Israeli dispute, see *ibid., 1982*, p. 758.

[12] On September 17 and 18, 1982, approximately 800 Palestinian civilians were massacred in the Sabra and Shatila refugee camps south of Beirut. For a U.S. statement on the massacre, see *ibid.*, p. 860.

For information regarding the Final Report of the Israeli Commission of Inquiry into the Events at the Refugee Camps in Beirut, 1983, see footnote 21 to document 340.

The basic Saudi concern, I should say basic concern, certainly shared by the Saudis, is that the broader the support that King Hussein could have, the better for everyone and the less vulnerable are those who would support him. So they have been focusing their efforts on the Jordanian-Palestinian dialog. Of course, we all hope that this comes to fruition in the very near future.

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MR. DYMALLY. Mr. Secretary, the King of Jordan and the chairman of the PLO have been meeting. Could you give us some insight as to what kind of discussions are being held and what the ultimate objectives of those discussions are?

MR. VELIOTES. Yes. The discussions have been going on now at a senior level, I can't remember the exact number of months; they have certainly accelerated since September 1 with the President's peace initiative. The purpose of these new discussions, I say the new round of discussions at the senior level, have been directly related to the President's peace initiative in two categories, two contexts:

One, the nature of an ultimate association of the West Bank and Gaza with Jordan; and, two, the nature of the Palestinians who would join a Jordanian delegation to join the peace talks.

Now, we believe that on any scale of priorities, and we have made this clear, that the emphasis must be put on what is time urgent, time sensitive, and that is the nature of the delegation. How do you allow King Hussein to join the peace process.

And I would like to say a few comments on this, because it gives me an opportunity to clarify the record, just in case there are misunderstandings or confusions in the minds not of this committee, but in the minds of interested parties on this point.

Our position on the nature of that delegation is based on some very pragmatic considerations.

First, it must be recognized by everyone that if your aim is to get to a peace negotiation in the foreseeable future, then the PLO cannot be at the table because the Israelis won't come.

Second, the Camp David accords which the Secretary describes as appreciating the genius of the drafters with each rereading—and I would agree with this—calls for Jordan to take part in the negotiations together with Egypt and Israel, and that the delegations of either Egypt or Jordan may include Palestinians from the West Bank and Gaza, or other Palestinians as mutually agreed.

Clearly there is the formula for representative Palestinians from the West Bank and Gaza to join the Jordanian delegation, and let's move on. This is the key issue.

MR. DYMALLY. That would exclude a card-carrying member of the PLO?

MR. VELIOTES. Well, it would exclude—yes, of course, but it is very difficult. That is a definition that is very difficult to arrive at. A member of the PLO is usually someone who, one, says he is, and is identifiable with being in organizations that are clearly identified as PLO, but it is in our view, yes, clearly the people who are elected by the people of the West Bank and Gaza, those who are clearly identified as their representatives in their eyes, who should participate.

Now, this is very important, because there shouldn't be any confusion on these two issues: One, what are the priorities, and the priorities are to come up with a formula which is practical and doable in the near future for Palestinians from the West Bank and Gaza to join the Jordanian delegation. And with that formula King Hussein could then announce his willingness to join the negotiations.

The other issues, which I am not saying are not important, the issues of what is the nature of an ultimate association, these are all fine but they are not really time sensitive. Everyone has time for continuing those discussions.

. . . . . .

MR. SMITH. King Hussein has publicly pronounced that there were two communications delivered to him from the President with reference to certain questions of preconditions which he may have opposed or which were being given to them, and I think to some degree he has let more of the cat out of the bag than you were willing to come forward with today.

Do you foresee that even what has been given so far may not be sufficient? It seems to me that he is in an extremely tenuous position. We have not been able to convince him in the 3 years since Camp David to come forward.

We have now imposed an additional burden on him. Why do we consistently believe he is going to come forward no matter what assurances we give him if in all this length of time it has not happened, and in fact does that not stall the Lebanese peace talks in and of themselves?

MR. VELIOTES. I would hope not. On the Lebanese issue I was quite surprised. Mr. Levine, I believe, talked about the problems of linkage. Both of you did. I was quite surprised to see a statement by the Israeli Defense Minister linking the two in the negative sense that you have described.

I mentioned that we were not the only people to talk about policies. I was Ambassador to Jordan. I delivered my credentials the day after Camp David, so let me talk about the atmosphere there at that time. It was very negative from a variety of points of view. There was no chance that King Hussein was going to join or support. The King's attitudes after the President's September 1 initiative are totally different, and I should say the King was supported by a large, probably majority, vast majority of the elements of his own people in not joining Camp David at that time.

I think it was a mistake. I am sorry the King and the Palestinians didn't join, because I think we would have had this problem pretty much behind us by that time. This won't surprise anyone. I bored them with this when I was there, but I think it was a mistake.

And to the extent that we have had a failure in the negotiations, I think the Palestinians, Jordanians, and the Arabs share this lack of success, and we also told them that. But now you have got a new situation, a lot of circumstances have changed. There are differing attitudes, very dramatically different attitudes after the President's initiative, both in Jordan and in the occupied territory.

I think this is terribly important. Again and again major representatives of the Gazans and the West Bankers are stating publicly what they have said privately: We can't miss this opportunity, we can't let it slip, let's get in. This message is being heard in Amman.

It is being heard by the PLO and by the others, and these are the people most immediately concerned. It is a pretty good hunk of people.

Now the King's personal attitudes have changed, and the attitudes of his people have changed, of both communities, the East Jordanian and the Palestinian community. The attitudes of the West Bankers and the Gazans have changed, so I think you do have differing circumstances which could account for optimism that this time we will be able to actually pull it off. I can't absolutely predict this, but I assure you this is what we are working for.

MR. SMITH. Do you have some idea of a date?

MR. VELIOTES. I wouldn't predict the date. I can just tell you that the King himself has publicly used the date of March 1. I am not quite sure what that means, but that happens to be 2 weeks after the scheduled Palestinian National Council meetings. Perhaps it is based on the assumption that the PLO will sort itself out in a positive manner by then. I hope they will. Again, I have to be cautious in predictions.

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Document 282

Remarks by the Secretary of State (Shultz), Atlanta, February 24, 1983 (Extract) [13]

U.S. Views on Jordan As a Palestinian Homeland

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[13] Source: Department of State Press Release 62A, February 28, 1983. The Secretary made his remarks during a question-and-answer session following his address to the Southern Center for International Studies, at 1 p.m. For text of his address on that occasion, see document 72.

[Q.]. . . "Mr. Shultz, today's *New York Times* reports on page 1 that Moshe Arens is reported to be saying that Jordan is the Palestinian homeland. [14] Would you comment on that, please?

SECRETARY SHULTZ. There are many Palestinians living in Jordan. The point is, however, that there are also many Palestinians living on the West Bank and Gaza; there are also many Palestinians who are homeless and refugees in other countries, notably Lebanon. And it must be true that one of the principal reasons why we have so much difficulty with peace in the Middle East is that we haven't been able to find the answer to the legitimate rights and aspirations of the Palestinian people. We have to address ourselves to that issue; and the President's September 1st Fresh Start Proposal, fully consistent with the Camp David Accords which have tremendous ingenuity and creativity in them; his September first proposal aspires to do that. So without in any way commenting on whatever the context was of that comment, I don't think you can pass off the Palestinian issue with a statement about the Palestinians and Jordan. The problem is deeper and bigger than that.

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Document 283

Transcript of the Department of State Daily Press Briefing, April 8, 1983 (Extract) [15]

The Settlements Issue

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Q. Would you care to comment on the column of Evans and Novak today? [16]

A. On what aspect?

Q. Well, the Israeli officials soliciting and trying to sell land on the West Bank to American Jews, in direct opposition to President Reagan's proposals.

A. Our position is that, who is buying the land on the West Bank is not the primary issue. We have, on a number of occasions, stated publicly that the continuation of settlement activity is a major obstacle in the way of broadened negotiations. Let me recall for you the President's own words in his September 1 speech when he said, "The immediate adoption of a settlement freeze by Israel more than any other action, could create the confidence needed for wider participation in these talks. Further settlement activity is in no way necessary for the security of Israel, and only diminishes the confidence of the Arabs that a final outcome can be freely and fairly negotiated." That's the end of the President's quotation.

Our feeling is that direct negotiations, based on U.N. Security Council Resolution 242, which is the basis of the Camp David Accords, have been the goal to which all of our efforts have been addressed since the President announced his Fresh Start on September 1.

If Jordan publicly announces its willingness to enter such negotiations, we are determined to do our best to assure that the results of those negotiations are not prejudiced from the outset by activities of any party which reduce the prospects of a negotiated peace.

Q. Including settlements? Activities including settlements?

A. Yes.

Q. What would you contemplate doing?

A. I don't think we're going to spell it out; I think we're going to leave you with these words and our intention. I think it would not be appropriate at this time to indicate how we will go about that.

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[14] Ambassador Arens had asserted that "Israel's position is that a Palestinian homeland and state exists—Jordan," following a farewell call on President Reagan before departing for Israel to assume the post of Minister of Defense. (*New York Times*, February 24, 1983, p. A1)

[15] Source: Office of Press Relations, Department of State. Department of State Spokesman John Hughes conducted the briefing, which began at 12:17 p.m.

[16] Rowland Evans and Robert Novak, "The Selling of the West Bank," *Washington Post*, April 8, 1983, p. A25.

Q. But you are prepared to say that you are willing, if Jordan enters, to do something about the settlements?

A. We will do our best to assure that the results of those negotiations are not prejudiced.

Q. —by things such as the settlements?

A. —such as the expansion of settlements.

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Document 284

Remarks by President Reagan, April 10, 1983 (Extracts) [17]

U.S. Reaction to Events in Jordan

Q. Mr. President, what hopes now for peace in the Middle East since King Hussein says he will not take part on behalf of the PLO?

THE PRESIDENT. Let me just say a few words about that. Some radical elements of the PLO have introduced some changes in the proposals that have been made and the policy that we've been trying to follow with regard to Middle East peace. Those changes are unacceptable to King Hussein; they are unacceptable to King Fahd; they are unacceptable to me. And I have been in touch with King Fahd and King Hussein and am going to be in touch with other Arab leaders about this.

We feel that the changes that were suggested would impede the efforts that we've been making toward negotiated peace in the Middle East—peace for Israel, peace for all of the countries there. And as I say, we are in agreement. I won't take any of your questions now, because I still have other Arab leaders that I'm going to be in touch with regarding this.

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Q. Are you still hopeful that somehow King Hussein will join the talks—[inaudible].

THE PRESIDENT. Oh, we're all very hopeful, because as I say, we're all in agreement about these other proposals that have been made. And I have their assurance that they want to proceed with what we've been doing. We've made great progress so far, and King Hussein has made great progress.

Q. When did you talk to him, sir?

THE PRESIDENT. Today.

Q. Aren't you disappointed by the statement that came out today, though?

THE PRESIDENT. Well, yes, of course. It is, as I say, it's an impediment in our search for peace. And that is our goal—peace for the Middle East, peace for Israel, peace for the Arab nations in that troubled area.

Q. Who were the radical elements—

THE PRESIDENT. Well, I can't—as I said, that's why I can't take any questions, because I can't deal in specifics while I still have other heads of state that I want to communicate with.

Q. What about the assassination of the moderate PLO leader today? [18]

THE PRESIDENT. Well, I think that's always a tragedy—something of that kind. And it's indicative of the kind of violence we're trying to eradicate.

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[17] Source: *Weekly Compilation of Presidential Documents*, April 18, 1983, pp. 528–529. President Reagan was met by reporters on the South Grounds of the White House at 3:10 p.m. as he returned from a weekend stay at Camp David, Maryland.

[18] Reference is to Dr. Issam as-Sartawi, chief adviser to the PLO Executive Committee, who was assassinated in Albufeira, Portugal, while attending a congress of the Socialist International. The Abu Nidal organization claimed responsibility.

Document 285

Transcript of an Interview With the Secretary of State (Shultz), April 11, 1983 (Extracts) [19]

U.S. Determination To Continue the Peace Process

ROBERT SCHIEFFER. Well, Mr. Secretary, the questions are obvious: what's next? Do you start over? Is the Reagan Peace Plan dead? Where do you go from here?

SECRETARY SHULTZ. Well, I think the key point to remember is that the President is determined to see this peace process through. We knew all along that it's a tough, difficult, long painstaking process. In his discussions yesterday with Arab leaders, he found that just as he rejected changes made by the PLO in the plan that had been worked out with King Hussein, so did King Hussein, so did King Fahd; and he remains determined and we'll continue to work on this.

MR. SCHIEFFER. Well, were you convinced last week that they were very close to an agreement, that the King was very close to coming into these talks?

SECRETARY SHULTZ. They were very close and they had the basis for doing that and I think it remains today very important that we continue to strive for peace. That's the thing that is needed in the Middle East as elsewhere in the world.

MR. SCHIEFFER. Well, what happened? Where was the hang-up?

SECRETARY SHULTZ. What happened was Mr. Arafat took what he and King Hussein had agreed on to a meeting of others in the PLO and they put in some changes that are unacceptable to King Hussein and to the President, to King Fahd and others and would I'm sure be an unacceptable basis for entering the peace talks with Israel. Israel wouldn't sit down under those circumstances and I don't blame them.

MR. SCHIEFFER. Can you tell us what the changes were?

SECRETARY SHULTZ. Basically it was back to the notion that the PLO had to be at the bargaining table and we were back to the independent Palestinian state and those things that people have talked about. But I think it is necessary to have Palestinian representation in the peace talks but not official members of the PLO.

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MR. SCHIEFFER. Mr. Secretary, how do you say to Prime Minister Begin now that the Arab world is ready to accept Israel's right to exist when King Hussein won't come to the bargaining table?

SECRETARY SHULTZ. King Hussein accepts Israel's right to exist. There isn't any doubt about that. And King Hussein wants to enter the peace process but under the right conditions. And the right conditions are that there be support and recognition that he is genuinely able to negotiate for the Palestinians on the West Bank and elsewhere. And that's what he needs and I think in the end he's going to get it.

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[19] Source: Department of State Press Release 102, April 11, 1983. Secretary Shultz was interviewed on CBS television's Morning News by Robert Schieffer.

Document 286

Address by the Deputy Secretary of State (Dam) Before the St. Louis World Affairs Council, St. Louis, April 11, 1983 (Extracts) [20]

Perspective on the Peace Process

Events over the weekend have demonstrated once again that, as Secretary of

[20] Source: Department of State Press Release 103, April 11, 1983; printed also in Department of State *Bulletin*, June 1983, pp. 57–60. For text of the portion of Dam's speech omitted here, concerning the Lebanon negotiations, see document 348.

State Shultz said this morning, obtaining peace in the Middle East is a "tough, difficult . . . painstaking process." [21]

As you know, King Hussein of Jordan and Yasser Arafat arrived at an understanding on the King's entry into the peace process. Radical elements within the PLO then imposed amendments that were not acceptable to King Hussein, not acceptable to Fahd of Saudi Arabia, and not acceptable to us. King Hussein rejected those amendments because they provided no basis for Jordanian or Israeli entry into the negotiations. But King Hussein did not reject the President's September 1 peace initiative. He remains committed to the search for peace in the Middle East. That is what he told President Reagan in their phone conversation yesterday. The King asked us to proceed with that initiative. We intend to do precisely that.

The search for peace between Israel and its Arab neighbors has been one of the foremost preoccupations of American foreign policy since World War II. From the debates over the partition of Palestine, [22] through the tenuous early years of Israel's existence, to the first glimmerings of peace nearly a decade ago, the Middle East conflict has absorbed the energies of eight United States Presidents and ten Secretaries of State.

The reasons for this continuous involvement in a problem halfway around the world are both moral and strategic.

—We Americans have a moral commitment to the security and well-being of the State of Israel.

—We have a parallel concern for our relations with our many friends in the Arab world.

—We need to preserve free access for the West to the strategic resources, markets and waterways of the Persian Gulf.

—We need to ensure that unchecked local conflicts do not spread to surrounding areas and lead to a dangerous confrontation between the superpowers.

Resolution of the Arab–Israel conflict will by no means guarantee our interests in the region or establish an era of tranquility and stability. The sources of conflict transcend the Arab–Israel problem. The Soviet invasion of Afghanistan and the Iran–Iraq war are testimony to this fact. Nevertheless, the Arab-Israel problem pits our friends against one another. Both sides look to the United States as the sole external power capable of helping them find an equitable solution.

After 35 years, peace still eludes the peoples of the Middle East. They have endured five major wars and numerous smaller conflicts. The wounds of the last conflict are still evident in Lebanon. With the exception of Egypt and Lebanon, the Arab States still have not come forward to negotiate their differences with Israel. Israel still must devote a higher percentage of its resources to defending its existence than any other country on Earth. And radicals in the PLO still retreat into the path of rejection and underscore this with violent acts: witness the weekend assassination of a PLO moderate in Portugal.

And yet the Middle East of today is vastly different from that of 1948 or 1967—or even of June 1982. Many fissures remain to be bridged. But Israel and its neighbors, thanks to unflagging American dedication, are closer to reconciliation today than at any time in Israel's history.

For the first two decades of Israel's existence, it was hemmed in on all sides. Its very existence was rejected by all its Arab neighbors. It had nothing with which to bargain for peace. Then the Six-Day War was forced on Israel by the imminent threat of unprovoked aggression. That war left Israel in occupation of Arab territory on three of its borders. It left the Arabs with a new reality to face. Seizing upon this new reality, the United Nations Security Council hammered out the formula of "territory for peace" enshrined in Resolution 242. That principle remains the basis for all our peacemaking efforts.

The euphoria of victory on one side, and the shame of defeat on the other, left a legacy of bitterness. That legacy produced not peace treaties but the three

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[21] *Supra.* All ellipses are in the source text.

[22] On November 29, 1947, the U.N. General Assembly adopted Resolution 181 (II) concerning the future government of Palestine, which provided for a plan of partition with economic union. For text, see *Official Records of the General Assembly, Second Session, Resolutions, 16 September–29 November 1947*, pp. 131 ff.

Arab "noes" of Khartoum: no negotiation, no recognition, no peace with Israel. [23]

It was not until the fourth Arab-Israeli conflict in 1973 that the futility of war as a solution to the Middle East problem finally began to sink in. In Israel, the surprise attack and narrow brush with disaster demonstrated to many that in the absence of negotiated peace treaties, military superiority is no guarantee of peace and security. For Egypt, the lesson was that while Israel could be wounded, it could not be overcome by military force. Grievances would have to be resolved by negotiations. There followed a series of disengagement agreements, [24] President Sadat's historic trip to Jerusalem, [25] the Camp David Accords, and finally the Egyptian-Israeli peace treaty.

Camp David offered a new approach to the Arab-Israeli problem. It combined resolution of bilateral problems between Egypt and Israel with a binding commitment to negotiate a comprehensive settlement. The first stage of the process has worked better than some expected. As long as Israel remains in conflict with the other Arab States, some tension between Egypt and Israel is inevitable. But the recent passage of the Egyptian-Israeli treaty's fourth anniversary almost without notice is a tribute to the extent to which peaceful relations are now taken for granted.

The second phase of the Camp David process—negotiations to establish transitional arrangements in the West Bank and Gaza prior to full peace—has not fared so well. The problems involved—legal, political, military and emotional—are more complex than the bilateral issues worked out between Egypt and Israel. But even these problems could have been well on their way to resolution had the Palestinians taken up the challenge of seeking a peaceful resolution of the conflict. We should remember that the failure to realize the early promise of Resolution 242 led ultimately to the 1973 war. Similarly, the inability to show substantial progress on the Palestinian problem since 1979 was a contributing factor to the buildup of tensions in Lebanon and the outbreak of war there last June.

The analogy is not an altogether unhappy one, however. The 1973 war led to a negotiating process that culminated in President Sadat's eloquent call from the rostrum of Israel's Knesset: "The October War should be the last war." In short order there were face-to-face negotiations, peace, and normalization of relations between Egypt and Israel. Likewise, the war in Lebanon has resulted in face-to-face negotiations between Israel and Lebanon. Those negotiations must lead ultimately to permanent peace along their frontier, and can lend momentum to the search for a broader peace.

. . . . . .

The Lebanon war and its aftermath have highlighted again the unique and indispensable role of the United States as the catalyst for peace in the Middle East. Only the United States has enough of the trust of all sides, the moral authority and the material resources necessary to mediate successfully between Israelis and Arabs.

America's success in negotiating an end to the active hostilities in Lebanon last summer provided the context for President Reagan's historic peace initiative last September. The stage for this initiative was initially set at Camp David. But the Camp David agreement, as its formal title clearly states, is only a "framework for peace," not a blueprint. It set out the basic principles and guidelines along which a future solution to the Palestinian problem could be built. But uncertainty as to where the United States stood on the basic issues in the negotiations greatly impeded our efforts to broaden the negotiations to Jordanian and Palestinian representatives as envisaged at Camp David. Without their participation and endorsement, no agreement about the West Bank

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[23] For text of the resolutions adopted by the Conference of Arab Heads of State, held in Khartoum, August 29–September 1, 1967, see *American Foreign Policy: Current Documents, 1967*, pp. 590–591.

[24] For text of the Sinai Disengagement Agreement between Egypt and Israel, January 18, 1974, the Golan Heights Disengagement Agreement between Israel and Syria, May 31, 1974, and the Second Sinai Disengagement Agreement between Egypt and Israel, September 1, 1975, see *The Search for Peace in the Middle East: Documents and Statements, 1967–79*, pp. 1, 2, and 3–5, respectively.

[25] For text of President Sadat's address before the Israeli Knesset on November 20, 1977, and extracts from the address by Prime Minister Begin, see *American Foreign Policy: Basic Documents, 1977–1980*, pp. 625–634.

and Gaza, transitional or final, could have any moral or practical authority. It was to reduce that ambiguity and encourage wider support for the peace process that the September 1 initiative was launched.

The President's initiative is balanced and fair. It rejects the extreme positions of both parties. It is designed to bring about a just and lasting peace that will both recognize the legitimate rights of the Palestinian people and, at the same time, assure the security of Israel. Those goals are not incompatible. Indeed, neither can be truly achieved in the absence of the other.

Let me review the seven essential points of the President's September 1st initiative.

First. "We base our approach squarely on the principle that the Arab-Israeli conflict should be resolved through negotiations involving an exchange of territory for peace. This exchange is enshrined in U.N. Security Council Resolution 242 . . . ";

Second. "The United States will not approve any proposal . . . that threatens the security of Israel. America's commitment to the security of Israel is ironclad";

Third. "The United States will not support the establishment of an independent Palestinian state in the West Bank and Gaza, and we will not support annexation or permanent control by Israel";

Fourth. "There must be a period of time during which the Palestinian inhabitants of the West Bank and Gaza will have full autonomy over their own affairs. . . . The purpose of the 5-year period . . . is the peaceful transition and orderly transfer of authority from Israel to the Palestinian inhabitants of the West Bank and Gaza";

Fifth. "The United States will not support the use of any additional land for the purpose of settlements during the transition period. . . . Further settlement activity is in no way necessary for the security of Israel. . . . ";

Sixth. "Self-government by the Palestinians of the West Bank and Gaza in association with Jordan offers the best chance for a durable, just and lasting peace"; and

Seventh. "Jerusalem must remain undivided, but its final status should be decided through negotiations" in the context of an overall Middle East settlement.

It is important to keep in mind that this initiative is not a "plan" to be imposed on the parties. Rather, the President has put forward a balanced set of positions that the United States is prepared to support in the course of negotiations. Let me underscore at this point something we have been making clear in all of our consultations. Because our positions are balanced, because they are fair, because they can point the way to a just solution, the President is committed to them as they are. They will not be changed. Those who seek a different solution must seek it at the negotiating table.

At the same time, we have pointed out to all parties that we cannot guarantee the outcome of the negotiating process on any specific issues. The negotiations, if they are to be successful, must be free to move in productive directions that cannot be foreseen in advance. Indeed, as the President said on September 1, once negotiations are joined we will support positions that seem to us fair and reasonable compromises and likely to promote a sound agreement. Both Israel and the Arab States thus have a major opportunity to shape the outcome of these negotiations, but the opportunity must be used creatively and soon.

We will not be sidetracked by the events of this weekend. We should not underestimate the importance of what has been achieved. A year ago significant elements in the Middle East still harbored the illusion that the Arab-Israeli dispute could be resolved by military means. Today Arab leaders are talking about *how*—not *whether*—to make peace with Israel.

We have witnessed in recent weeks the most intensive debate in Arab councils in 35 years as some Arab leaders seek a way out of the self-defeating cycle of violence which has brought so much misery to their peoples. We have lent our encouragement and vouchsafed our support for courageous decisions by Arab leaders.

King Hussein has already taken the lead in recognizing the opportunity afforded by the President's initiative for revitalizing the peace process. The radicals have given one answer. But the President's initiative is still alive and on the table. We will not permit radical elements to exercise a veto over the peace process. Rather, we will encourage the Palestinians to recognize that this is a unique moment which must be seized before it is lost.

The Arab debate is not over. The opportunity still exists for reason and realism to prevail. It is only at the negotiating table that a solution to the Palestinian problem in all its aspects can be found. And in our view, the best means for accomplishing that goal is President Reagan's initiative, based as it is on U.N. Security Council Resolution 242, which in turn is the bedrock foundation of the Camp David Framework.

We are living today in one of the truly critical moments in the history of the Middle East. A conflict which remained frozen for almost two decades has been yielding—slowly, painfully, but steadily over the last 15 years—to the forces of reason and realism. After five wars, the Arab world faces a challenge it has repeatedly evaded: to achieve Palestinian rights through negotiations now that those rights are clearly unattainable through violence. This opportunity may not come again.

The moment to decide is now. In the absence of a courageous Arab decision to join the peace process now, expansion of Israeli settlements on the West Bank could in the not-too-distant future render any such decision virtually irrelevant.

Arab governments still have an opportunity today to put the Arab–Israel conflict behind them. Only in this way will they be positioned to face the multiple threats in the region which challenge their very survival. Only a forthright commitment by Jordan and representatives of the Palestinians to face-to-face negotiations can achieve this end.

If the Arabs decide wisely and soon, then it will be Israel's turn to face a historic challenge. It can choose the semblance of security that comes with control over an increasingly embittered Palestinian population. Or, it can choose the real security that can only come with peace. I have little doubt that, when faced for the first time with a genuine choice between territory and peace, the people of Israel will choose peace.

Document 287

Transcript of a Press Conference by the Secretary of State (Shultz), April 12, 1983 (Extracts) [26]

Next Steps in the Peace Process

JIM ANDERSON, UPI. Good afternoon, Mr. Secretary. In the Middle East, where does the United States go from here and, specifically, are you personally prepared to play a more direct role in the wider peace process?

SECRETARY SHULTZ. The United States has been playing a very strong and direct role. The President's initiative of September 1 was and remains an historic opportunity for peace in the region. Those proposals remain on the table. Of course, we will continue to support them. They deserve support, and they'll get it not only from us but from others in the area.

Q. Will you be doing anything to engender such support, personally?

SECRETARY SHULTZ. I think that the main point is that the proposals are responsive to the needs of the region. There is no question about the fact that the events of last weekend were a disappointment and are a disappointment, particularly so since it seemed that King Hussein had managed, after a great deal of work and effort and patience on his part, to create conditions under which he could enter the peace process. Then word was received out of the meeting of the PLO in Kuwait that conditions were put forward that were unacceptable to King Hussein.

We agree with King Hussein in rejecting those proposals. At the same time, everybody has to take a look at the situation and say, what is the alternative. Almost as if by punctuation, we had the murder of a moderate Palestinian in Portugal over the weekend. What is the message? That was a murder of a Palestinian, apparently by

[26] Source: Department of State Press Release 106, April 12, 1983; printed also in Department of State *Bulletin*, June 1983, pp. 10–12. For the full text, see *ibid.*, pp. 10–13. The press conference was held in the Department of State beginning at 3:30 p.m.

Palestinians, but it certainly doesn't do anything for the Palestinian people.

I think if there is genuine concern about the legitimate aspirations of these people, then there ought to be some thought given to their needs. This is what the President's plan does.

I might point out that directly in the Camp David Accords, it speaks of the legitimate aspirations of the Palestinian people and calls upon King Hussein and representatives of the Palestinians to come and talk with Israel about peace. This is the right course of action; it remains the right course of action.

The approach of violence, which seems to have been the approach for many years now and which has had the effect of devastating Lebanon and causing untold losses of lives and injuries, that's bankrupt.

I think it's about time everyone took stock and said that the road to peace, and road to well-being for human beings is the road of negotiation. The prospect for negotiation is best through the use of the President's proposals which fall squarely within the framework of Resolution 242 and the Camp David Accords.

Q. Is it realistic to expect that King Hussein could enter peace talks without PLO approval, and are we encouraging them to do that?

SECRETARY SHULTZ. King Hussein has to take his own counsel, and I think that it is most beneficial when King Hussein enters the peace process, if he does, that he do so with support from his brothers in the Arab world because that will have the effect of making any settlement that might be reached much more meaningful. Of course, I think we also have to remember that when you're talking about the West Bank and the Gaza Strip and the people who live there predominantely, they're Palestinians. So you're negotiating for Palestinians.

I think it's the case in any kind of a negotiation, people are not going to accept something that they don't have a part in so they want to be represented. So I'm sure that in any such negotiation King Hussein will want company.

Q. Mr. Secretary, are you not, in fact, now appealing to more moderate Palestinians to come forward and join King Hussein and enter the negotiations despite what any radical element within the PLO may feel?

SECRETARY SHULTZ. We've always tried to appeal to the good sense of moderates, and continue to do that.

Q. Mr. Secretary, Phil Habib is now sitting in on the tripartite talks. Will you now consider another move, namely, a trip to the Middle East yourself to get things moving?

SECRETARY SHULTZ. I don't have any current plan to go to the Middle East. Certainly, whenever the President decides that it might be useful, I'm ready to go, but there's no current plan to go there.

Q. After reading the statement of King Hussein, what other information do you have that would contradict the very final statement that Jordan will not join the peace process by consent or renew it with any other party?

SECRETARY SHULTZ. I don't have any additional information, and I'm not asserting here that King Hussein is about to join the peace process or anything of that kind. I didn't make that comment. In response to a question about would he come in by himself, I tried to make clear that it seemed to me he would want to be accompanied by Palestinians if he were to decide to do that at some point.

Q. Mr. Secretary, has the PLO done itself damage by its negative response?

SECRETARY SHULTZ. I certainly think so.

Q. How so?

SECRETARY SHULTZ. It has clearly been the party that has, at least temporarily, frustrated what is a most promising opportunity for peace with justice and security in the Middle East. It seems to me it must become more and more apparent that such a frustration, accompanied as it was by this violent act, all too typical, does not provide any answer for the aspirations of the human beings called Palestinians who are living there and trying to make their way in the world.

Q. A number of Arabs, including some moderate ones have claimed, in the wake of the King's decision, that the United States had shown no ability to influence the Israelis, either in Lebanon or on the

question of settlements in the occupied terrorities.

Do you think it would be fruitful now to increase American pressure on Israel on either of those fronts?

SECRETARY SHULTZ. No. I think that, as from the beginning, the key to peace is that itself. That is the incentive that has to drive people.

As far as Lebanon is concerned, in getting a settlement in Lebanon, I think that a great deal of headway has been made. For there to be a genuine settlement, it has to be something that the Israelis and the Lebanese feel are in their interests, and the questions are difficult ones.

We are all impatient. I know some of my colleagues in Israel that I've talked to are impatient. Everybody would like to get this negotiation completed. On the other hand, you're talking about matters of great importance and difficulty, so you want to get them right.

I think the pressure of the desire to work something out is very important there, and I don't think the way to go about it is with additional arm-twisting of one kind or another.

Q. Mr. Secretary, as you know, there is a school of thought that says that a lot of the moderate Arab States, in a diplomatic sense anyway, are being held hostage by radical elements in the PLO, and that even the United States in its efforts is, to an extent, also hostage to these same radical elements.

Is there, in your current calculations, some way of getting out of this presumed "trap?"

SECRETARY SHULTZ. It is a "trap"—if it is a "trap"—that was created by the decision of the Arab League to place on the PLO the mantle of negotiator for the Palestinian people. It's that decision, basically, that King Hussein refers to when he looks for support in his efforts to enter the peace process.

That stands there. On the other hand, I wonder if it isn't going to become apparent to people that when you seem to give such power to a radical group, you've made a mistake. At any rate, from our standpoint, we will continue to advocate the peace process; we will continue to stress the importance of the security needs of Israel; we will continue to stress the fact that if there is to be peace, it must be achieved by members of the Arab community with representation for Palestinians sitting down with Israel, with Egypt, and with ourselves in the peace process, and working it out. We will continue to emphasize that for this to be successful, it has to meet the legitimate needs of the Palestinian people.

I think that's good, high ground to stand on. That's where we're going to stand, and we're going to invite others to come and join us there.

Q. Mr. Secretary, is that the same thing as urging moderate Arabs, then, to look back once again to the Rabat decision of 1974, urge them to reconsider the validity of that?

SECRETARY SHULTZ. Well, they'll have to compose themselves and see how they want to proceed. It's up to them to decide how they wish to do that.

. . . . . .

Q. Mr. Secretary, could I take you back to the Middle East, please? You say that the President's proposals are on the table. Can you in any way be forthcoming—

SECRETARY SHULTZ. They're on top of the hill. That's where they are. On the high ground. They're on the high ground.

Q. Can you in any way be forthcoming in a specific way as to what is being done to pump some life into the President's plan? For example, any thought of an invitation to Hussein to Washington? A resumption of Camp David type of get-together?

And, finally, when you talked earlier about the Rabat decision to empower the PLO to be the sole mandate for the Palestinians as being a mistake, is there in that a suggestion that you think it would further the cause of peace if that power were stripped from the PLO?

SECRETARY SHULTZ. I think what is needed is for it to be exercised constructively. There's a saying around here, "Use it or lose it." I think that if people have the ability to do something or other, then they ought to measure up to those responsibilities, and they aren't doing so. That's the main point.

As far as actions are concerned, it's always fun to travel. Maybe not so much fun as to have conferences. But it isn't necessarily so that action of that kind necessarily brings progress; sometimes it does and sometimes it doesn't. I don't think that we ought to equate constructive efforts with visible moves of some kind. In fact, it may be that the best thing we can do right now is to keep quiet for awhile.

Q. Mr. Secretary, is there any evidence the PLO is considering military action?

SECRETARY SHULTZ. There are elements of the PLO that claim credit, if that's the right word for it, for the murder of the Palestinian in Portugal. So whether what has been decided is a decision to go the route of violence rather than the route of peace and negotiation, I don't know. But if that is the decision, I think it is a bad decision, a bankrupt decision, a return to something that has only led to tragedy.

Q. Mr. Secretary, could you describe for us the position of Saudi Arabia at this time? The Spokesman said yesterday that King Fahd was willing to cooperate in furthering the ends of the Reagan proposal.

Do the Saudi Arabians support the Reagan proposal now?

SECRETARY SHULTZ. The Saudi Arabians have been in touch with us closely throughout this whole process and have been basically supportive. As the President said when he spoke on the subject on Sunday, the Saudi Arabians were as emphatic to him in their rejection of these changes as King Hussein was and as we felt ourselves.

. . . . . .

Q. Mr. Secretary, the President said today that the Palestinian leadership should take bold and courageous action to try to get this plan moving again.

All signs from the Middle East, not only now but in recent years, have been that with the exception of Sadat, nobody is going to take any bold and courageous action for the Palestinians on the West Bank.

If nothing happens, what will happen?

SECRETARY SHULTZ. They have not had a happy lot, the Palestinians on the West Bank. There are many who profess to feel deeply about that fact and want to see that lot improved, and there are ways to do it. I think the principal operative way that is available is through the President's plan—which I've said is perfectly consistent with 242 and the Camp David Accords. There it is. It's a method through which the lot of the Palestinians can be improved. If you're interested in that, then there's a way. We think that perhaps people will in the end come around to that.

. . . . . .

Document 288

Interview With the Secretary of State (Shultz), April 22, 1983 (Extracts) [27]

King Hussein and the Peace Process

Q. First on the September 1 peace plan, is it dead as people keep writing and saying outside of government?

A. I don't think so. It seems to me that the desire, the need for peace is not dead. It's very much alive. There's a yearning for it. Every event that happens only emphasizes its importance, and, if that's your premise, then somewhere along the line you have to find your way to the parties in the region sitting down together and talking about it. That's the essence of the President's plan, the essence of the Camp David accords.

Within that framework you have to find your way to secure arrangements for Israel and some manner of recognizing the legitimate needs and aspirations of the Palestinian people. The President's plan does those things, and I think, therefore, that it must carry on. We expect to keep working on it.

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[27] Source: Department of State *Bulletin*, June 1983, pp. 62–64. Secretary Shultz was interviewed by Meg Greenfield, editor of the editorial page of the *Washington Post*. The transcript of the interview was first published in the *Washington Post*, April 24, 1983, p. C8. Omitted is the portion of the interview on Lebanon.

Q. How do you get King Hussein to join in the talks, after he has said he can't?

A. Obviously, it isn't easy, and there are plenty of problems. However, I think that we'll continue to work at all aspects of the problems. It does seem to me that there's a certain shock that has taken hold, as I read the cables from the various Arab capitals, in which people are saying to themselves, "Are we really going to pass this up? Maybe we can't afford to do that." I think it's well for them to talk among themselves and see if they aren't missing the boat.

Q. Do you think that Hussein would have made the statement he made if the Israelis and Lebanese had been able to work out a plan, an agreement, for the evacuation of Israeli troops? Do you think Lebanon is one of the principal problems for Hussein?

A. It's hard to say. It's something that's really impossible to make a categorical statement about. But I do have the distinct feeling that King Hussein was ready to enter the peace process with the right kind of Palestinian delegation, and that at one point—the weekend before last I guess it was—he had the kind of arrangement with Mr. Arafat that would have permitted him to do that—permitted him in the sense that he wouldn't have been undercut by Palestinians or his fellow Arabs.

If that's the case, then he was ready to go under the conditions that existed then, but the PLO wouldn't accept that agreement, and that's what brought about these statements.

Q. What agreement do you mean, between the—

A. It can't be called an agreement because it didn't finally hold, but, as I understand it, King Hussein and Mr. Arafat worked out an understanding of conditions that were acceptable to King Hussein and seemed to be reasonable, whereby King Hussein would enter the peace process or make a statement that he was ready to do that, and that he would have a Palestinian delegation that consisted of legitimate Palestinian people who could claim to be genuinely representative, but who were not members of the PLO.

Q. It was reported in the *Wall Street Journal*—Karen House's article [28]—that President Reagan had assured the King that he wouldn't press him to join the talks until the Israelis had agreed to freeze the settlements. Is that the case, and is that still part of the problem, if it is?

A. I don't think it was part of the problem of the King's announcement, because in the President's September 1 speech, he said that it was his view that there should be a freeze on settlement activity. We have consistently continued to emphasize the importance of that because, after all, you're talking about a negotiation dealing with an area, and, if the area is being changed while you are in the process of negotiating or considering negotiating, it's tough to make that negotiation as meaningful as it otherwise might be.

The President has always had that position. What he said to King Hussein was that he would continue to advocate that position, but if the King announces his readiness to enter the peace process, then we would press harder on the settlement activity. We'd have something to press with, so to speak, when you say to the Israelis, "Why don't you slow down or freeze the settlement activity so that we can have another Arab leader at the bargaining table?" They say, "Well, show me one."

If we were able to have this commitment, then it might be more reasonable to talk about this matter, and more effective. The King was told that we wouldn't press him to enter negotiations until something had been obtained. He might have decided to enter and make that his first point of discussion.

King Hussein was assured basically that the President would continue to maintain the position in the September 1 initiative, and we have told everybody that continuously—every Arab government that has tried to change the President's position, and, for that matter, Israeli questions about it. The President has maintained a steadfast position there, and fundamentally that's what he assured King Hussein he would do.

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[28] Karen E. House, "Hussein's Decision," *Wall Street Journal*, April 14, 1983, pp. 1 and 16; and April 15, 1983, pp. 1 and 19.

But I think there is a distinction here between a situation where there is no expressed willingness on the part of King Hussein or other Arab leaders to enter the peace process while there is still settlement activity, and a different situation where King Hussein says, "I'm ready to sit down and negotiate about these, and I've committed myself to do that, but before I actually sit down, I think there ought to be some action on this." Those are two different situations.

What the President said was, "If you enter the negotiation, say you're ready to enter the negotiation, I will not press you to actually sit down at the bargaining table unless we can find some form of freeze."

Of course, King Hussein might decide to sit down anyway and say, "The first thing I want to talk about is a settlement freeze." But we haven't gotten to that point.

Q. Is there anything that you expect you could get from the Israelis that King Hussein could in turn use to get the PLO back into this action in terms of either Lebanon or settlements?

A. I think the PLO people have to make up their own minds, and I don't think that we should be worrying about thinking of additional things to induce them to change their behavior. The President has put a very forthcoming and imaginative program on the table which, when read with the full Camp David accords, the processes and commitments in them, give, I should think, a great sense of hope to Palestinian people, particularly those living in the West Bank and Gaza Strip. So that's enough.

I think that particularly people who aspire to lead a group like Palestinian people in the Middle East, and to represent the interests of those people as human beings, have to come forward at some stage of the game and influence their thinking.

Q. I believe you said at some point in your press conference that the PLO had forfeited its mandate to speak for the Palestinians. Who would be the Palestinians who could come forward in their place? Would they be West Bank Palestinians? How could that be brought about?

A. I've forgotten precisely what the words were that I used. I don't think I said "forfeited," but I did say if they are given leadership of a group and there's an opportunity for something constructive and they don't do it, it certainly calls into question whether or not they should continue to have that leadership.

I think that that's true. I used the words, "Use it or lose it." What other form of Palestinian representation there may be remains to be seen, but there are all sorts of possibilities.

Q. To bring in possibly West Bank officials or some other Palestinians, how would this be done or in what forum?

A. I have some ideas, but I think that it's critical to find the ideas that the Arabs will be comfortable with. Right now I think it's up to them to find those ideas and to find a way into this peace process.

. . . . . .

Q. On the settlements, and the idea of the freeze on the settlements, there doesn't seem to be any progress from our point of view, does there, toward that?

A. I can't see any, no.

Q. What can we do to encourage progress, or what leverage do we have?

A. I continue to feel that the great leverage involved is the leverage of potential peace. I felt that all along, and I felt that for years as I visited around in the area. It was that magical possibility that turned people on so much when President Sadat made his bold move.

I think that is the basic ingredient and at the same time it's hard to exercise that ingredient until there is a visible willingness on the part of the Arab world personified by somebody, some country, to say I am ready to sit down and discuss peace with Israel.

King Hussein wants to do that. He has told us that, and he said so publicly. But he needs to have support in the Arab world to do so and to do so effectively.

Q. How do you account for Mr. Arafat's apparent change of mind, the collapse of the arrangement between him and the King?

A. I read all sorts of things about the PLO, but I don't have an answer for that

question. I could speculate about it, but it wouldn't be particularly useful.

The basic fact is that there was a very reasonable proposition in front of him that could and eventually will result in a better life for Palestinians. Somehow in the processes of the organization called the PLO, they were not able to affirm that proposition. It's too bad. Why, exactly, I don't know.

Q. Do you read the bombing of the Embassy in Beirut as having had any impact on the larger policies in the area, in terms of this settlement?

A. If anything, it makes us more determined. I suppose it raises the consciousness of everybody about the genuine security concerns that you must have in that area, although I think the bombing of an embassy or a building somewhere is something that could happen anywhere in the world. We've had lots of bomb scares around buildings in San Francisco. Actual bombs go off in lots of buildings in this country. It's a tragic affair, and it highlights these concerns. When you talk about the President, I think it makes him even more determined to press on and try to bring about a more peaceful environment.

I do think that there will be a genuinely more peaceful environment in Lebanon when the foreign forces leave because there are elements in the forces in the Syrian sector, PLO and Iranian elements, that are actively disrupting. When they leave the country, there will be a better control over the situation.

Q. Is it your analysis or understanding that the Iranian group that claimed responsibility for this was, in fact, the one who did it?

A. I am not aware that there is a smoking gun, so to speak, that has been identified. A group has claimed the credit, and the fact that they would use a word like that for the event is a commentary on them. But, at any rate, there are various other bits and pieces of circumstantial evidence that point in that direction, but there is no real hard proof.

Q. Talk a bit, if you will, about how you hope to get things up on your trip, get things going again on the September 1 peace plan; what you hope to do.

A. I've been involved in lots of negotiations over a period of time. I just sort of get into them and try to see what seems reasonable and talk to people. That is about what I will do.

First, our emphasis will be in the trip on the Israeli-Lebanon negotiations in trying to get that settled, or as close to settlement as possible. Following that, of course, to follow on, if we have the opportunity, to get the conditions for Syria and PLO and other withdrawals as well.

At the same time, we will be working on the peace process but starting with the Camp David partners, so my first stop will be in Cairo. We will talk with the Egyptians, and we plan to have a meeting there of the ambassadors from the key countries involved. We'll have a good amount of time with them.

They're an extremely able group, very well informed. I expect to learn something from the discussions, and perhaps they'll all learn something from the interaction involved. Phil Habib will be there and Morrie Draper as well. We will sort of make our initial plan and go on from there to Israel and Lebanon.

I hope that as the time goes on I'll have an opportunity to visit Amman and Riyadh, but I think we have to concentrate first on—

Q. On this trip?

A. We have to concentrate first on the Camp David partners and on the Israeli-Lebanon arena. Of course, that also leads to Syria. And if we have something to talk with Syria about, namely, an agreement between Israel and Lebanon for Israeli withdrawal—

Q. You would go to Syria?

A. Then, we naturally want to take the next step and arrange for Syrian withdrawal. I think the way for me to think about this now is that I'm going to go to Cairo, and I'm going to talk to the Lebanese and the Israelis, and we are interested in the evacuation of Lebanon. And, of course, we're interested in the peace process, but we'll start that way and we'll see how it unfolds and try to do sensible things as we go along.

Q. Do you intend to go to Jordan, or is that also contingent?

A. I would certainly hope very much to have a chance to visit with King Hussein and King Fahd as well as Mr. Assad. But I think the priority has to be on getting the Lebanon situation straightened out.

Q. Are there any Palestinian, official or unofficial, leaders that you expect to be talking with?

A. No, I certainly have no plan to meet with anyone from the PLO, if that is what you're getting at.

Q. Informal meetings in the lobbies of hotels?

A. No meetings.

Q. There is a view that the Israelis, by being difficult about withdrawing from Lebanon or taking time and making more settlements in the West Bank, can in fact, prevent a peace plan that they find uncomfortable from getting anywhere. Do you have a thought about that?

A. I've heard that said a lot and read it in the papers. Against that you have to put the fact that a great deal of progress has been made in the negotiations with Lebanon. I personally have no doubt that the Israelis want to withdraw from Lebanon under the right circumstances. It's not that easy to find the right circumstances. It has certainly taken a lot longer than we expected or would like. But, nevertheless, I think that it's possible and doable. That's one side of the equation.

On the settlements, I think it's a very important issue. It cuts in both directions. I know that the Israelis feel strongly that there was a time, before they were the occupying force, when the Jews were not welcomed to live in the West Bank, and so the settlements make a point.

I might note that in the President's plan it's very explicit that if the settlers want to stay in their settlement, they stay, but they would live under the jurisdiction of whatever is the jurisdiction of that territory. In the President's plan, it's perfectly consistent with Jews living in the West Bank.

Document 289

Address by the Secretary of State (Shultz) Before the Business Council, Hot Springs, Virginia, May 13, 1983 (Extracts) [29]

Middle East: Negotiation and Reconciliation

As you know, I've been out of the country for a few weeks. It's great to be home.

The Middle East has been the focus of almost constant American diplomatic efforts for more than a decade now. I don't have to educate this group in the reasons why the Middle East is so important to the United States. It is a region of vital economic importance and strategic location; we have many friendships and relationships in the area, including a deep moral commitment to Israel and many friendships and ties with moderate Arab countries. And the United States is in a unique position to promote progress in the great task of reconciliation between Israel and its Arab neighbors.

This last point is worth emphasizing. Sometimes foreign policy seems a frustrating endeavor; we have so many problems on our plate, and some Americans must wonder whether our global exertions are worthwhile. They should have been with me in the Middle East! In the Middle East we see the remarkable phenomenon of Arabs and Israelis, locked in conflict for generations, looking to the United States as the one great power able to help them find a way out. Both sides trust our fairness; they respect our good faith, and they find reassurance in our participation as they face the risks and challenges of peace. Even those who disagree with us on many issues want us involved as a counterbalance to others whose motives are more suspect.

This special trust in the United States is the main reason for the success we have had. I found it deeply moving to travel in the Middle East and see the admiration for America and the faith in America that peoples and governments in the Middle

[29] Source: Department of State Press Release 184, May 13, 1983; also printed in Department of State *Bulletin*, July 1983, pp. 55–57. For the omitted portion of Secretary Shultz's speech, concerning Lebanon, see document 356.

East show so openly. They know that the United States is not only strong but just, not only powerful but fair. It is an extraordinary tribute to this country—it is a tribute to the basic decency and generosity and goodness of the American people. I can tell you I was very proud to be there as Secretary of State of the United States of America.

Let me say a little about my trip to the Middle East, [30] and about the negotiation that was just concluded last week between Israel and Lebanon.

By a symbolic coincidence, my trip began in Egypt at the time of the first anniversary of the final return of the Sinai to Egypt under the terms of the peace treaty with Israel. There is a lesson in this symbolism, which I emphasized over and over again: Egypt recovered its sovereign territory through a negotiation with Israel. The process of negotiation worked, in a way that violence or rejectionism did not and could not work. Egypt and Israel together vindicated the principle of solving problems through peaceful means. It is a cardinal principle of a decent world order, and the success of that process is an instructive example for others.

It is, of course, the principle that we are striving now to vindicate again in Lebanon.

. . . . . .

Let me say a few words, finally, about our broader objectives of Middle East peace. Last September 1, President Reagan made a major proposal to bring Jordan and the Palestinians into direct negotiations with Israel to decide the future of the West Bank and the Gaza Strip. It is a fair and balanced proposal, which has its roots in the Camp David Accords and UN Security Council Resolutions 242 and 338, which have been the bases of all our peace diplomacy in the Middle East over the last 15 years. It derives as well from the tragedy of Lebanon, as a signal of our determination to address one of the underlying problems of the Arab-Israeli conflict which had had its spillover effect on Lebanon.

I am pleased to be able to tell you, after my trip to the Middle East, that our friends in the Arab world are still supportive of President Reagan's initiative and are actively working to put together a positive Arab response. In our view, Arab support for King Hussein to step forward as interlocutor on the Palestinian question would create the best possibility for a fruitful negotiation. I am confident that Israel would respond positively to such a step, despite its negative reaction to the President's initiative last September.

The fate of the Palestinians living in the West Bank and Gaza is both a political problem and a humanitarian problem that cries out for the concerned attention of all people of good will. A particular responsibility rests now with the Arabs, who would do a grave disservice to the Palestinian people if they missed this precious opportunity to begin a negotiating process. Only through a negotiating process can the Palestinian people hope to achieve their legitimate rights and their just requirements. As Egypt and Lebanon have shown, negotiation works; violence and rejectionism get nowhere.

We have only made a beginning, but it is an important beginning. President Reagan, I know, is determined to continue his efforts to carry the Lebanon negotiations, and the peace process, forward.

There is no more noble enterprise for our country to be engaged in. Here our strategic concerns and our moral concerns coincide; our tradition of leadership and our hopes for the future point in the same direction. It is a bipartisan effort—and an example of what this country can accomplish when Americans are united.

So, even though difficult days and weeks and months lie ahead, I look to the future with confidence.

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[30] Secretary Shultz visited Egypt, Israel, Lebanon, Jordan, Syria, and Saudi Arabia between April 26 and May 8, 1983. He returned to Washington on May 11, after attending a meeting of the OECD in Paris.

Document 290

Transcript of a Press Conference by the Secretary of State (Shultz), June 22, 1983 (Extract) [31]

The Struggle Within the PLO

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Q. Mr. Secretary, what do you make of the current struggle within the PLO? How do you interpret the Syrian involvement in that? And if Yasser Arafat were to be overthrown, would that necessarily be a bad thing?

SECRETARY SHULTZ. We don't have a lot of contacts with the PLO, so our intelligence is all second-hand and third-hand. I shouldn't say we don't have a lot; we don't have any direct contacts with the PLO. That always leaves you a little less well informed than you might otherwise be.

But there is, clearly, a struggle going on, and it has probably some elements of policy. There may be some elements of the results of indecisiveness involved and control over funds and bureaucracy—I don't know. The basic issue, I think, is how can it be brought about that more attention is paid to the problems of the human beings called Palestinians, who live there, and whose lot is a poor one and whose prospects, not just taking it from year to year, but almost from generation to generation, are not that great.

It seems to me that we do have to pay attention, not just us but the PLO and everybody, to the legitimate rights and aspirations of these human beings, and see if we can't do better by them. I think it must be so that one of the reasons why there has been such difficulty with conflict in the Middle East is the fact that we, as an international group of countries, have not been able to come to "grips" satisfactorily with the human condition of the Palestinian people, and we really have to bear down on it. It's a very difficult problem, I know. That's the reason it hasn't been solved. But I think that is at the heart of the matter more than sort of internal PLO politics.

Q. But would Arafat's coming or going bode ill or well for your ultimate objectives, do you think?

SECRETARY SHULTZ. It's a question of the degree of unity in the PLO and the extent to which there are factions and what orientation of the PLO might have, and whether or not, in the end, whatever happens might make it more possible for King Hussein to have a non-PLO, legitimate Palestinian delegation that was endorsed with him in entering the peace process. That's what we have been trying to achieve.

The extent to which Syria comes to dominate the organization, which may be happening—you read that a lot—I think makes it questionable, whether or not these developments would ease that problem. So we have to look elsewhere for our method: or perhaps in our discussions with the Syrians we might find some answers.

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Document 291

Testimony by the Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs (Pelletreau) Before a Subcommittee of the House Foreign Affairs Committee, August 3, 1983 (Extract) [32]

Withdrawal of the Egyptian Ambassador to Israel

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[31] Source: Department of State Press Release 221, June 22, 1983; printed also in Department of State *Bulletin*, August 1983, p. 8. For the full text, see *ibid.*, pp. 5–8. The press conference took place in the Department of State.

[32] Source: *Developments in the Middle East, August 1983: Hearings Before the Subcommittee on Europe and the Middle East of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 30–31.

[MR. LEVINE.] It seems that the reluctance or refusal of Egypt to return her Ambassador to Israel [33] is perhaps only the most evident example of a clear cooling of relations if not between Egypt and Israel at least from Egypt to Israel, and in light of the support that this Congress has shown for Egypt in a whole variety of directions which I believe has been appropriate and has been predicated upon Egypt's constructive role in the peace process, I would ask you to speculate as to the continued appropriateness of that unless we do see a continued pattern of or a return to the past pattern of trying to work closely to maintain the peace process between Egypt and Israel.

I am deeply troubled as I am sure you gathered by my first series of questions just about the Ambassador about this whole cooling of relations because if I were an Israeli asking myself whether or not I would like to risk whatever it is that would be at risk and obviously some significant security questions would be at risk in making peace or agreements with other Arab nations, I would be asking myself how long-term these agreements are likely to be if almost immediately after the return of the Sinai and the oilfields and the other very significant concessions the Israelis made, the Egyptians, the only Arab State with whom Israel has signed a peace treaty, appear to be just backtracking to such a significant extent.

To what extent are these relevant concerns and to what extent are these issues which have been the subject of discussion between our State Department and other parties in the Middle East particularly Egypt?

MR. PELLETREAU. The key point to focus on is the Egyptian-Israeli treaty itself. Egypt has maintained its commitment to that treaty.

MR. LEVINE. Well, one of those commitments, and again I do not want to go get into a long thing, about this, but one of the commitments was ambassadorial relationships, perhaps the most significant symbol of the treaty. So to say that Egypt had maintained its commitment under the treaty is certainly a suspect conclusion to reach in light of its refusal to return its Ambassador.

MR. PELLETREAU. As I just said, we do not want to prejudge the question of whether withdrawing its Ambassador and not sending its Ambassador back is a violation of the treaty. Neither party has asked us to make a judgment on that question.

I think if you look at the language of the treaty you can see that it is open to a pretty broad interpretation on that. We do want the Ambassador to go back.

When the Ambassador was called back to Egypt, considering the full range of possible actions that Egypt might have taken at the time, given the fact that Israel was taking military action against another Arab country, this was not a major action, and the Egyptian commitment to the treaty itself, we believe, remains strong.

There are a number of what I would call pesky issues that are pending between the two countries that we would like to see resolved. They include some questions over exactly where the line should go and where forces should be.

They include a question at Taba. They include a question of import licenses and some other things. We would like to see the situation develop where the two countries would seriously work to resolve these outstanding differences, and that includes the ambassadorial question as well.

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[33] Egypt recalled Ambassador Saad Mortada from Tel Aviv on September 20, 1982, following the massacre of Palestinians in the Sabra and Shatila refugee camps. The Egyptian Government later linked Ambassador Mortada's return to an Israeli commitment to withdraw from Lebanon.

Document 292

Statement by the Deputy Representative at the United Nations (Lichenstein) Before the U.N. Security Council, August 2, 1983 [34]

The Situation in the Occupied Territories

Mr. President, the issue before the Council today is grave and farreaching. It stems from the continuing violence in the West Bank, which disrupts the hopes of peace-loving people everywhere for an early settlement of the Middle East conflict. The United States shares the anguish expressed by many speakers in this session about the loss of life and destruction of property that the West Bank has witnessed in recent weeks. We are eternally opposed to violence and terrorism from whatever quarter such acts may come, not only because of the human tragedies involved but also because of the resulting damage to the spirit of reconciliation which is so necessary to peace.

The draft resolution before us today reflects this feeling of anguish, but regrettably it does so only in one operative paragraph condemning the Hebron events. It does not adequately address the recent series of criminal attacks in the West Bank. We, of course, join the other members of the Council in condemning the attacks against civilians. We condemn all these acts, starting with the murder July 7 of an Israeli settler in Hebron and including the wanton destruction of part of the Hebron market that occurred immediately thereafter. The brutal terrorist attack at Hebron University on July 26 was the latest and, in many ways, the most horrifying of these criminal acts. [35]

We also share the view expressed in the draft resolution that The Hague Regulations of 1907 [36] and the Fourth Geneva Convention of 1949 [37] are applicable to the territories occupied by Israel. The United States Government has stated this position on numerous occasions, and I affirm it again today. Israel, as the occupying power in the West Bank, is bound by the terms of the Fourth Geneva Convention.

Mr. President, the draft resolution contains elements which are unacceptable to the United States, and we, therefore, were obliged to vote against it. Let me make clear, however, that we did not vote against the draft because we approve of Israel's settlement policy. On the contrary, as President Reagan said on September 1, 1982: "Further settlement activity is in no way necessary for the security of Israel and only diminishes the confidence of the Arabs that a final outcome can be freely and fairly negotiated." The most obvious flaw in the text of the draft resolution is its clear implication that Israel has carried out forcible transfers of Arab population from the occupied territories. The allegation made here is not one of individual deportations—which have, observers recognize, regrettably taken place—but rather that a policy of large-scale transfers of the Arab population has been pursued. There is no body of evidence to support this allegation.

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[34] Source: U.S. Mission to the United Nations Press Release 60-(83), August 2, 1983. Lichenstein's statement was made in explanation of a U.S. veto of a draft resolution, introduced by Jordan and cosponsored by 19 other Arab countries. The draft resolution determined, among other points: that Israeli settlements in the "Palestinian and other Arab territories occupied in 1967" had no legal validity and were a major obstruction to achieving peace; called upon Israel to abide by Article 49 (6) of the Geneva Convention Relative to the Protection of Civilian Persons in Time of War, of August 12, 1949, and to desist from action that would change the legal status, geographic nature, and demographic composition of occupied territories, and not to transfer parts of its own civilian population and to force the transfers of Arab populations from these territories; called upon the Government of Israel to rescind those measures, to dismantle the existing settlements, and to desist from expanding and enlarging existing ones; condemned recent attacks perpetrated against Arab civilian populations in the occupied territories; and called upon all States not to provide Israel with any assistance to be used specifically in connection with settlements. Thirteen members of the Security Council voted in favor of the draft resolution; one abstained. The United States voted against it, a veto. For text, see U.N. document S/15895, August 1, 1983.

[35] Reference is to an incident in which 4 unidentified gunmen killed 3 Palestinians and wounded 33 others at Hebron University.

[36] Reference is to the Convention Respecting Laws and Customs of War on Land, With Annex of Regulations, signed at The Hague, October 18, 1907. For text, see 1 Bevans 631.

[37] Reference is to the Geneva Convention Relative to the Protection of Civilian Persons in Time of War, of August 12, 1949. For text, see *United Nations Treaty Series*, Vol. 75, No. 973, p. 287.

Moreover, turning to the provisions relating specifically to Israeli settlements, let me reiterate that we believe Israeli settlement activity in the occupied territories constitutes an obstacle to a fair and lasting settlement in accordance with Security Council Resolutions 242 and 338, and in particular that further settlement activity in urbanized areas such as Hebron can only exacerbate tension. As President Reagan emphasized last September 1, a freeze on settlements throughout the occupied territories, more than any other single action, would foster the kind of atmosphere needed for negotiations leading to peace.

We do not believe, however, that it is at all practical or even appropriate to call for the dismantling of the existing settlements. The future of the settlements is one of the key issues which will need to be addressed in negotiations. Nor can we accept continuing the sterile argument as to whether the settlements are "illegal," an argument which unfortunately has dominated discussions in the United Nations on this question to the detriment of the basic issue, namely how to bring about a just and peaceful resolution of the conflict over the occupied territories, of which the recent events in Hebron are a tragic manifestation.

Mr. President, the problems of the West Bank are real and agonizing. The United States remains committed to the resolution of all aspects of the Arab-Israeli conflict and its underlying causes. A debate in the Security Council over whether Israeli settlements are "legal" or "illegal" fails to address the real problem and encourages the kind of rhetorical, legalistic arguments that tend to polarize differences which can only be bridged by unconditional negotiations. We make these differences appear much wider and deeper than they are. Indeed, this polarization exacerbates the relations of the protagonists on the ground, the very parties who must be induced to come to the bargaining table in a spirit of mutual accommodation which is essential if there is ever to be peace in the Middle East.

Thank you, Mr. President.

Document 293

Address by President Reagan, Santa Barbara, California, August 27, 1983 (Extract) [38]

Reaffirmation of the U.S. Approach to Peace

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But our current efforts in Lebanon are only a small part of our search for peace in the Middle East, including a compassionate, fair and practical resolution to the Palestinian problem.

The Middle East Peace Initiative which we announced almost a year ago is definitely alive and available to those parties willing to sit down together and talk peace. We remain committed to the positions we set forth, and we stand ready to pursue them in the context of the Camp David Accords.

Those positions are in the best long-term interests of all parties. Most importantly, they're the only realistic basis for a solution that has thus far been presented.

The United States continues to support UN Security Council Resolutions 338 and 242.

The establishment of new Israeli settlements in the occupied territories is an obstacle to peace and we're concerned over the negative effect this activity has on Arab confidence in Israel's willingness to return territory in exchange for security and a freely and fairly-negotiated peace treaty.

The future of these settlements can only be dealt with through direct negotiations between the parties to the conflict. The sooner these negotiations begin, the greater the chance for a solution.

This Administration, like those before it, is firmly committed to the security of the State of Israel. We will help Israel

[38] Source: White House Press Release, August 27, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, September 5, 1983, pp. 1183–1185. President Reagan delivered the address on nationwide radio from the Santa Barbara Sheraton at 9:06 a.m.

defend itself against external aggression. At the same time, the United States believes, as it has always believed, that permanent security for the people of Israel and all the peoples of the region can only come with the achievement of a just and lasting peace, not by sole reliance on increasingly expensive military forces.

Unfortunately, the opportunities afforded by our initiative have yet to be grasped by the parties involved. We know the issues are complex, the risks for all concerned high, and much courageous statesman—statesmanship, excuse me, will be required. Nevertheless, those complex issues can be resolved by creative and persistent diplomacy. Those risks can be overcome by people who want to end this bitter and tragic conflict. And in the process, the United States will be a full partner, doing everything we can to help create a just and lasting peace.

Until next week, thanks for listening, and God bless you.

Document 294

Statement by the Assistant Secretary of State for Near Eastern and South Asian Affairs (Murphy) Before a Subcommittee of the House Foreign Affairs Committee, November 14, 1983 (Extract) [39]

U.S. Commitment to the Middle East Peace Process

. . . . . .

In recent months, we have, of necessity, been preoccupied with the crisis in Lebanon. But this does not diminish our desire to press forward in the broader Middle East peace process, if the parties whose cooperation is needed are willing. Some have claimed that we will avoid dealing with the very sensitive issues of peace in the Middle East during an election year. This is untrue. Witness President Reagan's appointment of Donald Rumsfeld, a distinguished American with a rich and varied background in public service and foreign affairs, as his new envoy for the broader peace process in the Middle East as well as Lebanon. This is a sign of our determination to pursue the peace process and the President's initiative of September 1, 1982.

The President has reaffirmed his commitment to that initiative. The proposals he put forward remain the most realistic basis for progress toward reaching a fair and just solution to the Palestinian problem and resolving the Arab-Israeli conflict. We are ready to pursue these proposals if a credible Arab leader—such as King Hussein—were to step forward and agree to negotiate with Israel. The President's initiative is an opportunity for those in the Arab world who seek peace, and for Israel to satisfy its right to long-term security through negotiated agreements. We regret that thus far, neither the Arab States nor Israel have seized this opportunity.

Let me turn now to our relations with Israel. Our close collaboration continues under the new government of Prime Minister Shamir. President Reagan looks forward to Prime Minister Shamir's visit here in the coming weeks. The visit 2 weeks ago to Israel by Under Secretary Eagleburger, in which I participated, was the latest in a series of high-level consultations between our two governments. We discussed our common interest in a stable and sovereign Lebanon.

We reaffirmed our ironclad commitment to Israel's security. And we consulted on various aspects of our security and economic relations. We have our differences over how best to proceed in the peace process, for example, or over Israel's settlements policy, which we oppose. But our fundamental relationship is deep and strong and we share many common interests.

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[39] Source: *Developments in the Middle East, November 1983: Hearing and Markup Before the Subcommittee on Europe and the Middle East of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1984), p. 4. The subcommittee heard testimony from Murphy on the situation in the Middle East before considering House Joint Resolution 279, to express the sense of Congress concerning the reduction of emigration from the Soviet Union, and House Resolution 322, to express the sense of Congress concerning the adverse effect on U.S. agricultural exports of proposals to modify the Common Agricultural Policy of the European Community.

Document 295

Transcript of an Address by the Secretary of State (Shultz) Before the Council of Jewish Federations and Welfare Funds, Atlanta, November 19, 1983 [40]

The Need For Peace in the Middle East

Now, every Secretary of State becomes a Middle East expert very rapidly, whether he wants to or not. Usually his training is a process of ordeal by fire. But the process has a healthy way of bringing you back to the basics of foreign policy: the importance of standing by principles and commitments to friends; the virtue of courage and steadfastness in the face of challenges; the uses and limits of power as a factor in diplomacy; and the need for a moral compass to steer you on a steady course through turbulent waters.

Today, in the Middle East, the United States is engaged on a variety of fronts. We are extending our cooperation with Israel. We are seeking to restore peace in Lebanon. We are trying to strengthen the forces of moderation in the Arab world. We are exploring new possibilities for progress in the peace process. We are attempting to contain the possibly dangerous consequences of the Iran–Iraq war.

It may seem a confusing kaleidoscope of problems, but there is a central core to our diplomacy, which pulls together all these issues and all our strategic, political, and moral concerns about the future of the Middle East. And that core is the effort to achieve a secure peace between Israel and its Arab neighbors. So all our activities, in whatever dimension of the Middle East, are geared in one way or another to that central goal. (Applause)

And that goal itself has a deeper meaning. In the final analysis—behind all the codewords about "just and comprehensive peace" and "secure and recognized boundaries"—we are talking about people and the quality of their lives. True peace is not measured only by legal or political criteria but in human terms—by whether individuals can live their lives and go about their business and raise their children without elemental fear for their personal safety. It means people's confidence that their community and their society have a future. It means a sense of opportunity and possibility, not fear of random danger or deliberate threat.

As the poet said, "No man is an island." So the fate of others affects our own. No people understands this better than the Jewish people. Anti-Semitism in a faraway country; persecution of Jews in the Soviet Union, Iran, or Ethiopia; mindless denunciations of "Zionism as racism" in international forums; Katyusha rockets landing on the towns of northern Israel—these touch you deeply. No people understands better than you the fragility of the restraints that hold civilized society together, because no one knows better the profound inhumanity of which the darker recesses of human nature are capable.

Similarly, the people of Israel have struggled so long and so hard for peace with their neighbors; but then the first leader to make peace with them is assassinated. And Lebanon, the second moderate Arab country to negotiate an agreement with them, is right now under assault from Arab radicals precisely because it did so.

There should be no doubt of where the United States stands on any of these questions. The Jewish tradition is one of the principal sources of the values of our civilization—freedom, democracy, the dignity of the individual. (Applause) In a world where those values are widely threatened, the condition of Israel and the Jewish people is a measure of the vulnerability of those values. The appearance of anti-Semitism has always been a symptom of deeper sickness of a society; similarly, the vicious international campaign against the existence of Israel is a reflection of a much broader ideological assault on the interests, well-being, and principles of the whole free world. Therefore, when we concern ourselves with the fate of Israel, we are also concerning ourselves with the fate of the values that both we and Israel stand for. (Applause)

In this spirit, I want to say a few words about our policy in Lebanon and then about the broader subject of promoting peace between Israel and all its Arab neighbors.

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[40] Source: Department of State Press Release 403, November 22, 1983; printed also in Department of State *Bulletin*, January 1984, pp. 32–35. The source text is the text as actually delivered.

At stake in Lebanon are some of these basic values and some basic principles of international law and international morality:

—the principle that differences among nations are to be settled by reason and negotiation, not by the use or threat of force, and

—the right of a small country to decide for itself how to achieve its sovereign objectives, free from outside pressure, threat, or blackmail.

Lebanon is a proud and beautiful country whose people have contributed much to the world. Yet it has had a complex and turbulent history. The roots of enmity in that country go very deep. Nevertheless, for many years Lebanon thrived because political rivalries were accommodated and a delicate balance maintained. The yearning for peace, too, runs deep in Lebanon.

But the delicate balance in Lebanon was upset, primarily by the involvement of outside, non-Lebanese forces—just as today, the primary obstacle to the internal reconciliation is the presence of outside, non-Lebanese forces.

For Israel, the sovereign independence and peace of Lebanon continue to be a major strategic interest, directly affecting its own security. Israel, too, has influence in Lebanon, and we are confident that Israel will be using this influence in support of the Lebanese Government and its efforts of national reconciliation.

At stake, as I said earlier, is the fate of the second Arab country to negotiate directly an agreement with Israel. I need not elaborate on what it would mean for the overall peace process if Lebanon should be coerced into renouncing that agreement. It is the only existing formula that ensures both Israeli withdrawal and a solution to the security problem that created the Lebanese crisis in the first place. We will not accept its abrogation. (Applause)

I must say when I hear all of the criticism of that agreement and I look at that agreement—and I know quite a bit about it—I have to ask myself, "What's so unreasonable about an agreement between two neighboring countries that provides some measures for their mutual security, which they both want and need, and a minimal degree of human and commercial contact between them? What's so unreasonable about that?" It seems damn reasonable to me. (Applause)

But the main issue now is national reconciliation. Especially in view of the sacrifices that have been made, the international community has a right to ask all the parties in Lebanon to redouble their efforts to settle their national problem. As the Bible tells us, to everything there is a season. There is a time to debate and a time to decide. Now in Lebanon is the time to decide. (Applause) As in every negotiation, there must be compromise. For every risk taken, there is gain. And the risks of failure to act right now are far greater than any of the risks of a fair political solution.

As long as there is no solution to the basic issue of Middle East peace, however, the region is bound to be subject to other crises, in other places, in other forms. Therefore, our efforts in Lebanon have not diverted us from the larger goal.

The issues at stake in Lebanon, as I said before, have wider significance: the principle of peaceful settlement of disputes, the right of small countries to live in peace and security with their neighbors. As Israelis and Jews have learned very clearly from bitter experience, we all live in a world in which many do not share these principles. Therefore, these principles must be defended, sometimes at the price of great risk or sacrifice. If the free nations are to preserve their security and defend their ideals, they must have sufficient military power to deter or resist aggression. Whether in Central America, the Middle East, Western Europe, or Asia, history shows that diplomacy works only when aggressors conclude that no military option is available. (Applause)

The United States has always understood that a strong Israel is not only a guarantor of security for the Jewish people but also a powerful force for freedom and a strategic partner to America and the West. (Applause)

That's why we have ensured—and will continue to ensure—that Israel receives the help it needs to maintain a military advantage to deter its enemies. The Soviet military buildup in Syria underlines this necessity, and underlines it again and again for anyone who will look to see. (Applause) The United States has furnished over $20 billion in military and economic aid since 1949, most of it in the

last 10 years. In Fiscal Year 1984, Israel will receive a total of $2.6 billion in military and economic assistance. (Applause)

Now, I think we should say to ourselves in providing this aid we help Israel, but we also are helping ourselves. (Applause)

But military power is not enough. Israel's dream of becoming "a nation like all other nations" is yet to be realized. The Jewish State did not rescue the survivors of the ghettos in Europe and the Middle East in order to become itself a new ghetto among nations. And yet, 35 years after its founding, Israel remains rejected by most of its neighbors and isolated in international fora. I remember being in Israel just after Sadat's historic journey to Jerusalem and feeling personally—very personally—what a tremendous emotional impact Sadat's visit had. It was clear to me how deeply all Israelis yearn for true peace.

The requirements of defense are still a heavy burden on Israel's economy. Military reserve duties disrupt family life and economic productivity. The prospect of living with perpetual hostility, and the long-term threat from advanced weapons technology in enemy hands, cannot help but be deeply troublesome to Israel's people. And the moral burden of the occupation can undermine the values on which Israel was founded and can divide its society.

Military might and control of territory have prevented defeat on the battlefield, but true security and peace of mind can come only when Israel has gained the acceptance and recognition of its neighbors. That is why, even as we assist Israel's capacity to defend itself militarily, the promotion of Arab-Israeli peace through negotiation is the number-one priority of our policy and our efforts in the Middle East.

Since the great achievement of the Camp David Accords, the peace process has encountered many problems. On the Israeli side, we remain deeply concerned about the ongoing construction and expansion of settlements, unilaterally changing the status of the occupied territories even while their future is subject to negotiation. On the Arab side, there is the intense and continuing struggle between those who want to secure a better future through negotiation and those who reject peaceful solutions or simple recognition as a matter of ideology. The outcome of this struggle will go a long way toward determining the chances for progress.

Once before when our focus was on Lebanon—on September 1, 1982—President Reagan reminded us of the bigger picture and of our commitment to a broader peace. On the day the PLO completed its evacuation of Beirut, the President challenged the parties to make a "fresh start" in the Middle East. He spelled out the foundation of the American position—in essence the principle of exchanging territory for peace, as called for in UN Security Council Resolution 242, which has been our policy ever since 1967. At the same time, the President added, "our view on the extent to which Israel should be asked to give up territory will be heavily affected by the extent of true peace and normalization and the security arrangements offered in return." He made clear the American view, among other things, that the security and legitimacy of Israel are crucial criteria that have to be recognized in any settlement; that neither a Palestinian state, nor permanent Israeli control of occupied territories, nor a return to the pre-1967 security situation is a viable solution; that Palestinian self-government in the West Bank and Gaza in association with Jordan offers the best chance for a durable peace; that Jerusalem must be undivided; (applause) and most fundamentally, that the terms of a settlement can only be determined by the parties concerned, in direct negotiations. (Applause)

The positions laid out in the President's initiative are fair, balanced, and realistic. They were meant as a stimulus to negotiation, not as the dictated outcome of a negotiation. The initiative was an opportunity for the seekers after justice in the Arab world to achieve their goal through negotiations leading to peace. Although it triggered a vigorous—and, on the whole, constructive—debate among Arab leaders, none of them has yet seized the opportunity. Likewise it was a challenge to Israel to achieve true and lasting security through peace, rather than relying on the short-term illusion of security through territory. The Israeli Government, I regret to note, rejected the President's initiative. But I have little doubt that if an Arab leader comes forward with a mandate to negotiate on the basis of those principles, Israel will not let such a historic opportunity slip away. (Applause)

We cannot be certain, however, that that opportunity will remain open indefinitely. Every passing month creates new facts on the ground which, I am convinced, are making the process for reaching a negotiated settlement ever more difficult and its prospects ever more uncertain. The peace treaty with Egypt—and the return of the Sinai to Egyptian sovereignty—prove that negotiations work. I might say when people—my friends in the Arab world, and I have a great many—tell me that you can't sit down and negotiate and come to an agreement with Israel, I say "You're wrong. Look at Camp David." What other country in your memory has reached agreement and given back such a large piece of territory adjacent to its own as the Sinai? (Applause) So negotiations work and agreements can be reached as I saw myself in the case of the Israeli-Lebanon agreement, but both sides must recognize—and soon—that negotiations are the only hope for a secure, just, and peaceful future—the only hope. The absence of negotiation is a formula for endless conflict and mounting danger.

I have spoken a lot tonight about the human dimension of the Middle East conflict, and there is another aspect that must be mentioned. I am thinking of the Palestinian people. The Palestinians have been victimized above all by their self-appointed leaders and spokesmen who, for decades, have chased the illusion of military options and foolishly rejected the only possible path to a solution—direct negotiations. (Applause) The utter failure of rejectionist policies ought to be obvious by now. But I am thinking in particular of the 1.3 million Palestinians living in the West Bank and Gaza. Their well-being, their desire for a greater voice in determining their own destiny, must be another issue of moral concern, even while we continue to pursue an agreed solution to the final status of the occupied territories. If their acceptance of a peaceful future with Israel is to be nurtured, they must be given some stake in that future by greater opportunities for economic development, by fairer administrative practices, and by greater concern for the quality of their lives.

I must add a word here about Jordan. It has been our view since the 1967 war that Jordan is the key to a negotiated solution in the West Bank and Gaza. The PLO has thus far excluded itself as a negotiating partner by its refusal to recognize Israel's right to exist. Jordan, in contrast, under the leadership of King Hussein, has long sought a path toward moderation and conciliation. Jordan's participation in the peace process has been inhibited by many considerations, including the absence of the necessary support from other moderate Arabs, but most of all the fierce opposition of Arab radicals. Last spring King Hussein nearly achieved an agreement that would have permitted him to take a more active role in the peace process on behalf of the Palestinians in the West Bank and Gaza. The effort failed because of radical Arab opposition—no doubt goaded on by Syria. More recently, a bitter and violent struggle has broken out within the PLO and between the PLO and Syria. King Hussein has pointedly and courageously raised the question of whether the PLO, if dominated by Syria, can continue to claim legitimacy as spokesman for the Palestinian people. The outcome of this struggle is sure to have major implications for Jordan, the Palestinians, and the future of the peace process. For our part, the door will always be kept open for a negotiation in accordance with the President's September 1 initiative.

There may be some who have already written off the peace process for the next year. They think we will shy away from the sensitive issues of the Middle East during a Presidential election year. Well, they are wrong. Ronald Reagan has no intention of letting the search for peace lapse. We cannot afford to. (Applause) Let it never be said that the United States was too busy practicing politics to pursue peace. (Applause)

I might just say, for that matter, let it never be said of the United States that the pursuit of peace is bad politics, because it isn't. (Applause)

In the next 2 weeks, President Reagan will be receiving in Washington Israel's new leaders—President Herzog, Prime Minister Shamir, and Defense Minister Arens. Our two governments have many things to talk about: Lebanon; the relationship with Egypt; the possibilities for progress toward peace; the threat of Soviet expansionism in the Middle East; the need for Israel to restore its economic vitality; the fate of threatened Jewish communities around the world, especially in the Soviet Union; and other important common concerns. (Applause)

Our cooperation is an enduring reality, whichever party is in office in either country, because this relationship is deeply rooted in the sentiments of our peoples and in the values of our civilization. There is no stronger bond between countries. So we come back, in the end, to the human dimension. The fate of Anatoliy Shcharanskiy and the fate of Lebanon and the fate of the villagers of Kiryat Shemonah and the fate of the Palestinians—indeed, the fate of all men and women of good will, who wish to live in peace—this is the common agenda of Israel and the United States, as it is the common agenda of our civilization.

(Sustained applause)

Document 296

Transcript of an Interview With President Reagan, December 23, 1983 (Extract) [41]

Mubarak–Arafat Talks

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Q. Mr. President, do you think the new approachment between Arafat and Mubarak now opens the way to break through for the possibility of your peace plan getting moving and Hussein taking part? [42]

THE PRESIDENT. Well, Helen, I'm always a little leery about saying a breakthrough, but I do think this. We are optimistic about this because, if you look at the relationship there and the two countries—or the two peoples that were involved, Mubarak is the head of state of the one country in the Arab world that has gone forward and has a peace treaty with Israel. We're hopeful that the peace process will bring about more Arab nations making their peace with Israel.

Obviously, a part of that process depends on a fair and just settlement of the Palestinian question. And Arafat has, in the past, been one who has refused to recognize Israel's right to exist as a nation. But the fact that earlier, and before this split in the PLO ranks, he has begun to discuss with King Hussein negotiations and participating in those negotiations on behalf of the Palestinians. Then that broke down with the split in the Palestinian movement.

Now, I think that what President Mubarak is doing is talking to him about returning to where he was earlier, making contact with King Hussein and getting those peace negotiations, our peace proposal, underway again.

Q. Do you think there's a good chance?

THE PRESIDENT. Yes, I do. I really do. We've—because we had believed that settlement in Lebanon had to precede going further with that. I don't think that's necessarily true now. I think enough progress has been made there that we can go forward with the peace movement.

Q. May I follow up, Mr. President? Israel has denounced the talks between Arafat and President Mubarak saying it was a pure violation of the Camp David agreements. Would you respond to that?

THE PRESIDENT. Well, I don't think it was a violation, and I think—I can understand their feelings in view of the recent tragedy in Jerusalem [43] and the group taking credit for that claim to be a PLO group and all. But at the same time I think, as they look at this a little more clearly, they will see that Mubarak, based on the experience of Egypt and its willingness to go forward for peace, is simply trying to persuade others to change their thinking.

There was one point not too long before the peace treaty with Egypt in which Egypt was violent in its hostility, as

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[41] Source: White House Press Release, December 23, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, January 2, 1984, pp. 1739–1740. For the complete text of the interview, see *ibid.*, pp. 1739–1744. President Reagan was interviewed in the Oval Office of the White House, beginning at 2:37 p.m., by Helen Thomas (United Press International), James R. Gerstenzang (Associated Press), Michael Gelb (Reuters), and Pierre Rousselin (Agence France-Presse).

[42] Reference is to the visit of PLO Chairman Yasir Arafat to Egypt on December 22, during which he was cordially received by President Mubarak.

[43] Reference is to a bomb explosion aboard a bus in Jerusalem on December 6 that killed 4 persons and wounded 46. Two Palestinian groups claimed responsibility for the attack.

perhaps today the elements of the PLO are. So, who is better able to try and bring in another person into the peace process than someone who has made the change that Egypt has made?

Q. Do you think Mr. Arafat is still a popular leader among the Palestinians themselves?

THE PRESIDENT. Well, this is what we need to find out. I can't believe that that radical group under the influence of the Syrians created all of this tragedy around Tripoli and the innocent people that were killed because of the violence of that battle. I can't believe that the millions of Palestinians are going to choose that leadership.

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C. Algeria, Morocco, Tunisia

Document 297

Prepared Statement by the Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs (Schneider) Before a Subcommittee of the House Appropriations Committee, April 28, 1983 (Extracts) [1]

Overview of U.S. Relations With North Africa

I am pleased to appear, along with my colleague from the Bureau of African Affairs, before the subcommittee to discuss the Administration's request for assistance to Morocco and Tunisia and pertinent developments in North Africa.

Policy Toward North Africa. To initiate our discussion today, I would like to describe our regional posture, with particular reference to Morocco, Algeria, Tunisia—the states of the Western Maghreb—and Libya. The United States wants to encourage and maintain solid, friendly relations with all of these states on the basis of mutual respect and shared interests, where possible. These states, by virtue of their geographic situation, natural resources, and influence within the international community, have considerable significance for United States foreign policy concerns. Our interests in the region are varied and important—maintenance of peace and evolutionary change in the Maghreb, protection of NATO's southern flank, and preservation of security, development, as well as the requisite stability in the Maghreb and contiguous Mediterranean and Sahelian regions.

The policy pursued by this administration includes the encouragement of regional reconciliation and peaceful negotiated settlement of divisive issues. We have a long history of close and cooperative relations with Morocco and Tunisia. Our ties with Algeria are important, substantial and improving, and we are pursuing their expansion while reaffirming and strengthening our links with our traditional friends, Morocco and Tunisia.

Morocco. Our relations with Morocco are excellent. They are based on 200 years of cooperative effort. Morocco is strategically located at the crossroads of NATO-Europe, sub-Saharan Africa and the Arab world. A close relationship with a friendly Morocco is important to our security interests.

Morocco shares many of our foreign policy objectives. Like the United States, Morocco has been concerned over the challenges posed by the Soviets and their friends. Morocco is playing an active and constructive role in the Middle East peace process, working to consolidate an Arab consensus and bringing the Arabs into better communication with us. Morocco, in a manner consistent with its nonalignment, has concluded an access and transit agreement with us which would help us deploy U.S. forces in defense of Southwest Asia in certain contingencies. Morocco has taken a long step in the Western Sahara by accepting the OAU's cease-fire/

[1] Source: *Foreign Assistance and Related Programs, Appropriations for 1984: Hearings Before the Subcommittee on Foreign Operations and Related Agencies of the Committee on Appropriations, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), Part 4, pp. 401–410, 412–415. Omitted here is the portion of Schneider's statement concerning Libya, which is printed in document 399.

referendum formula for ending the conflict there.[2] It is now engaged with Algeria in an important effort to improve intra-Maghrebi relations. Our relations with Morocco are close, reflecting the convergence of our interests and the mutual benefits to be derived from our relationship. This is one of the reasons we have felt free to ask Morocco to understand our need to reprogram substantial resources to El Salvador pending replenishment from the supplemental now before the Congress. The administration urges you to restore these funds in full.

As vehicles for the exchange of mutually useful ideas we have formed with the Moroccan Government both Joint Economic (JEC) and Military Commissions (JMC), knowing full well that security and development are interrelated. We have agreed to a number of measures designed to facilitate investment in and trade with Morocco. These are moving forward under the aegis of the JEC. The Joint Military Commission is exploring ways in which our military cooperation can best serve our mutual interest. We are working to ensure that these measures are consistent with our relations with neighboring states. The joint exercises which we carry out with Morocco are designed primarily to provide opportunities to improve the readiness of United States forces and provide training for the Moroccan armed forces.

For Morocco in fiscal year 1984. The administration proposes $19 million in Development Assistance, $34.5 million in PL-480, $7 million in ESF, $30 million in MAP, $60 million in FMS credits and $1.7 million in IMET. This continuing level of support reflects the serious economic difficulties that Morocco faces, as well as our support for that country's military modernization program.

Under the fiscal year 1983 supplemental request, we are asking for restoration of $52 million in FMS guarantees, previously approved by Congress but rescheduled for El Salvador. This amount would bring the FMS total back to $75 million for Morocco.

The development assistance program contains a significant allocation for expanded efforts in rainfed agriculture, as well as programs for family planning, nutrition and resource development. After agreement with King Hassan in May 1982, we have proposed an ESF program for Morocco in Fiscal Year 1984. To augment the development assistance program, $7 million ESF has been requested. This ESF will be used to help improve Morocco's output of cereals in dryland farming areas, which will increase the availability of food and foreign exchange in the country.

It is in our interest to see Morocco maintain a level of military strength sufficient to assure its national security and support a regional balance. We requested for FY-83 provision for the first time of direct grants (MAP) of $25 million and an increase in the level of FMS from $30 million to $75 million. The FMS credits will purchase spare parts and maintenance capability for previously supplied U.S. equipment and will help finance completion of air surveillance equipment and anti-armor weapons. No major equipment purchases are being undertaken. Our FMS request will enable Morocco to make very selective improvements in its logistics and even more selective improvements in its defensive equipment. It is worth noting that before Morocco began its program of military modernization several years ago, to which we have made modest contributions, its armed forces had only obsolete, Korean war vintage materiel. Due to immediate and overriding proprities which as already mentioned have necessitated reprogramming of substantial FY-83 FMS credits, a portion of these FY-83 credits has been reprogrammed; their restoration is being requested via supplemental appropriations. We have also requested small increases in IMET funds to provide more training in logistics, maintenance, and communications related directly to Morocco's ongoing modernization program.

Algeria. For the United States, Algeria is an important country, one in which the United States has important interests. It is a leader among the nonaligned, a supplier of hydrocarbons to the United States, an intermediary through whose auspices we are adjudicating a possible $4 billion in American claims with Iran. A market for $1 billion in American exports in 1982.

Although we have divergent interests on some issues, including the price of Algerian LNG in the U.S. market, we are pleased that Algeria's leaders are demon-

[2] For text of the OAU Resolution of June 27, 1981 concerning the Western Sahara, see *American Foreign Policy: Current Documents, 1981*, p. 805.

strating a strong desire to explore our differences and to expand the opportunities inherent in our ties. This is a process to which we are both committed. It has led to the visit of a highly successful trade investment mission led by Secretary Baldrige, [3] the first U.S. Cabinet official to visit Algiers since Henry Kissinger, and to the successful visit of Under Secretary of State Eagleburger, which has been just completed. [4] We have also been able to begin limited commercial sales of nonlethal military equipment in support of Algeria's efforts to diversify its sources of military equipment.

We respect Algeria's nonalignment and we recognize its desire to steer a course which avoids becoming beholden to any single state. We respect also its renewed efforts to develop its human and natural resources to improve the quality of life of its people. The Algerian Government has made clear that it looks to the United States among others for assistance in this and we look forward to constructive relations in this sphere and others in the future.

Algerian-Moroccan Relations. The recent meeting between King Hassan of Morocco and President Bendjedid of Algeria is a welcome development. [5] Both parties have stated that the meeting was a culmination of preparatory contacts designed to lead toward a restoration of bilateral relations, suspended since 1975. Naturally, we support any rapprochement between these two important neighbors. Both sides have also stated that the recent meeting does not reflect changes in their policies concerning the Western Sahara. Both have reaffirmed their support to the OAU proposal for settlement while giving different emphases to the requirements for a settlement. We should await developments to gauge the direction and pace of the rapprochement between Morocco and Algeria. We believe, nonetheless, that the Hassan-Bendjedid summit augurs well for the negotiated resolution of the Western Sahara question in a multilateral context.

Tunisia. Although Tunisia has not been directly involved in the Western Sahara conflict, it is key to a stable and progressive North Africa. We have a long history of close and friendly relations. Tunisia has made remarkable economic and social progress: it has a pluralist society and seeks to strengthen its democratic institutions. The Hassan-Bedjedid summit was followed by a summit meeting between President Bourguiba of Tunisia and President Bendjedid. [6] Thus, greater Tunisian-Algerian cooperation is also emerging at present.

Tunisia's impressive economic progress has impelled us to begin phasing out economic assistance. The Tunisian Government would prefer to continue to concentrate its resources on economic and social development, but circumstances—the threat from Libya as dramatically demonstrated by the Libyan sponsored Gafsa raid—have caused President Bourguiba to decide that Tunisia must modernize its long underfunded defense capability. Tunisian concern regarding the Libyan sponsored attack on the Tunisian city of Gafsa in 1980 [7] and succeeding manifestations of the threat from Libya has thus had much to do with this change of Tunisian policy. The Government has made careful plans for a modest modernization of its armed forces, on the expectation of substantial continuing U.S. security assistance We believe its plans are prudent and appropriate to Tunisia's circumstances. We have requested a supplemental appropriation for FY-83 in order to meet our commitments for security assistance to Tunisia. As you know, this fiscal year's allocation has had to be severely cut back to accommodate reduced appropriations, leaving the Tunisian Government with plans and commitments it will have difficulty in funding.

For Tunisia in FY-84, the administration proposes $90 million in FMS, $50 million in MAP, $1.7 million in IMET, and a total of $11.1 million in PL-480.

Under the fiscal year 1983 supplemental request, Tunisia would receive an additional $58 million in FMS and $15 million

[3] Secretary of Commerce Malcolm Baldrige traveled to Saudi Arabia and Algeria, December 1-8, 1982. He visited Algiers, December 6-7, 1982.

[4] Eagleburger visited Algeria and Tunisia for bilateral consultations, April 9-15, 1983.

[5] Reference is to a meeting between King Hassan II of Morocco and President Chadli Bendjedid of Algeria in the border village of Akid Lutfi on February 21, 1983.

[6] President Bendjedid made an official visit to Tunisia, March 18-20, 1983.

[7] Reference is to an attack on the city of Gafsa by insurgents on January 27, 1980. The Tunisian Government asserted that the raid had been organized and planned in Libya.

in MAP, for a total of $120 million in FMS guarantees and $20 million in MAP.

Although we do not intend to obligate any new development assistance funds or ESF to Tunisia, programs funded earlier will continue to operate for several years. We will also support Tunisian development through a PL–480 program aimed at improving the stagnant agricultural sector.

The security assistance, substantially the same level requested last year, will help fund a minimal capability built around F–5 interceptor aircraft, M–60 tanks, Chaparral missiles, and perhaps lesser equipment. A team composed of experts from the State and Defense Departments which visited Tunisia to study its defense needs in March 1980 recommended the purchase of these items. IMET funds will provide accompanying technical and professional training for members of the Tunisian military. The MAP component of our security assistance will enable the Tunisian Government to make essential improvements in its military without adversely affecting the country's economic development.

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Western Sahara. Military activity in the Western Sahara has steadily decreased over the past eighteen months and now appears to be at stalemate. This condition is conducive to efforts toward a negotiated settlement in accordance with the OAU proposals. Moroccan construction of an earthworks (BERM) around the major population centers has apparently placed major civilian targets beyond the reach of the Polisario and has enabled the Moroccan military to deploy to greater defensive advantage. Substantial Moroccan resources are being invested in the development and infrastructure of the territory under Moroccan control.

U.S. Policy Toward the Western Sahara. U.S. Government policy on the Western Sahara conflict has been consistent. We support fully and encourage all parties to support the Organization of African Unity's (OAU) cease-fire/referendum formula for a negotiated settlement. We envisage such negotiations as seeking to arrange a cease-fire and the working out of modalities for holding a referendum on self-determination.

We believe that the war is not winable and that its continuation is not in anyone's interest. We hope that a referendum can lead to the end of the conflict in the area.

Status of Negotiations. The effort to seat the self-styled Saharan Democratic Arab Republic (SDAR) as a member of the OAU (supported by Algeria and Libya, among others) contributed to the collapse of two successive attempts to convene a summit meeting of the Organization of African Unity. The Polisario continues to demand that the SDAR be seated as a full member of the OAU, an act we believe would prejudge the outcome of an eventual referendum.

Developments in the Region. Our policy of assistance to Morocco and Tunisia has demonstrated the United States resolve to support its friends. It has made modest contributions to the modernization of Morocco's obsolete military matériel which the Moroccan Government felt it could no longer postpone beginning several years ago. Essentially defensive in nature, this modernization was necessary primarily in order to balance sophisticated military equipment supplied to other countries in North Africa. The program of modernization has brought the ancillary benefit of enabling Morocco, in a very modest way, to preserve conditions under which it could pursue political solutions rather than merely addressing military necessities in the Western Sahara. We are, of course, gratified that both Morocco's and Algeria's original acceptance of OAU resolutions proposing a cease-fire and referendum have recently been reaffirmed.

U.S. economic and military assistance complements security assistance relationships maintained by Morocco and Tunisia with other countries, notably France. We have made it clear to the French that the United States welcomes continued and indeed irreplaceable French military and economic aid to both countries and that our contingency access and transit agreement with Morocco does not imply a U.S. intent to resurrect any of the military basing rights we voluntarily relinquished in the 1970's.

We have also continued to express our desire to improve relations with Algeria, not at the expense of other states in the region, but as a natural expression of our bilateral interests.

In concluding, let me state that we consider that our development and security assistance programs have made a positive

contribution to U.S. interest in the evolving situation in North Africa. They are also a sign of our strong commitments to our friends. We ask that the subcommittee recommend appropriation of the levels we have requested.

Document 298

Address by Vice President Bush, Algiers, September 14, 1983 [8]

Community of Interests Between the United States and Algeria

Distinguished guests, ladies and gentlemen.

You have made my wife, Barbara, and me feel very much at home here in Algeria, and I want you to know that we appreciate your warm welcome very much.

I am honored that you have invited me to the beautiful capital of Algiers to meet and talk with you about the important issues that confront our two nations.

The United States has many valued friends in this part of the world, and fruitful relations with most of the countries of North Africa. So it is a pleasure for us to come here and renew our diplomatic, economic and cultural ties.

Our two countries share a common heritage: We both won our independence after long and bitter struggles against foreign domination. Algeria has shown what can be accomplished in nation-building in just a generation. It is a leader of the nonaligned movement, with an influential voice for fairness and reason in regional and world affairs. In this connection, all Americans gratefully remember Algeria's help in the resolution of the hostage crisis a few years ago. You have countless friends in America you do not even know.

Algiers is a most appropriate place, therefore, for me to talk about America's relations with the newly independent and developing countries of the world.

My country is 200 years old, but as we have not forgotten the dreams of our own beginnings, we have not grown indifferent to the hopes and desires of the younger nations. The United States had the first anticolonial revolution; and toward the end of the First World War, when colonialism still shrouded the globe, we were instrumental in beginning the modern process of decolonization. After World War II, the United States continued to champion decolonization, because we remembered our own struggle for independence and the principles on which our own nation was founded.

Today, the end of the colonial system has transformed international politics and international economics. The United States is acutely aware that much of the world's future is being shaped by events in these newly independent and developing regions which embrace the broad majority of mankind. Out of enlightened self-interest and a consciousness of common humanity, the American people share your aspirations for peace, freedom, security and progress.

We are now more than two decades into the postcolonial era. The euphoria of the early independence period has given way to a sober appreciation of the long-term problems of nation-building. New nations are confronted by serious challenges of regional security and economic development. Both developed and developing nations have learned that, politically and economically, our destinies are intertwined. Our well-being and security are closely interrelated. We face many common challenges and opportunities for the future.

In the political dimension, as a result of history, geography, and philosophy, America and Algeria have different approaches on many issues. How vividly I remember this from my days as UN Ambassador. But while we often disagreed, we were never adversaries. This is due not only to the courtesy of Algerian diplomats and the skill of Algerian diplomacy. It also reflects a basic truth about America's conception of world order.

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[8] Source: Press Release, September 14, 1983; Office of the Press Secretary to the Vice President; also printed in the Department of State *Bulletin*, November 1983, pp. 11–14. Vice President Bush addressed Algerian officials at the El Aurassi Hotel. In addition to Algeria, he visited Morocco (September 11–13), Tunisia (September 15–16), Yugoslavia (September 16–18), Romania (September 18–19), Hungary (September 19–20), and Austria (September 20–21).

It was President John F. Kennedy—a great friend of Algeria—who said that America's goal was to help "make the world safe for diversity." The United States has its interests and objectives in the world, just as Algeria has its own. But America sees a world of truly independent, prospering nations as totally compatible with its interests. We do not wish to make over the world in our image. This is not our way. We respect the independence of others even when their ways are different.

Our own political and economic system stresses free competition, the clash of ideas, tolerance, openness—in a word, freedom. It is sometimes chaotic, but it is a system that gives free rein to individual talent and initiative. Likewise in the international arena, we see pluralism and diversity as a source of creativity and dynamism. We seek no artificial uniformity or regimentation. We are not afraid of spontaneity. We are prepared to compete on a fair basis in the world of ideas as well as the world of economics. This is our tradition and our vision of a just international order.

Therefore, we accept, and respect, the practice of genuine nonalignment. As long as a country is making its own independent sovereign decisions and respects the sovereignty of other nations in the world community, we respect its views, even when they differ from ours. And we are ready to work constructively with those countries on issues on which we agree and in areas where our interests coincide—even though we may not agree totally.

We welcome the diversity of points of view that exists among all countries, developed and developing, and we know their interests and circumstances are not all identical.

Every country has its unique potential and its unique problems. Therefore, we are concerned when some developing countries compromise their own individual principles to meekly follow a single voice or alien ideology, or to pretend a false identity of views on major international issues. Such an artificial conformity obscures the real nature of the problems and blocks realistic solutions.

We reject the theory, offered by some nations, of a "natural alliance" between the nonaligned nations and the East bloc. If anything, we believe the West has vastly more to offer the nations of the Third World—in terms of freedom and economic opportunity. And what the West has to offer does not require automatic conformity to preconceived social structures or political positions. True nonalignment means to seek a position independent of East and West, and to apply equal objectivity in judging the actions and policies of both. If the nonaligned nations criticize the West, that is fine and healthy for all of us. We are always open to constructive criticism. Our system is built on debate and the free exchange of ideas and opinions. But objectivity and balance require equal care in observing the faults of the East. Many governments that call themselves nonaligned are remarkably myopic in recognizing what communism does to human rights wherever it takes hold. Religious beliefs and practices, for instance, are strictly controlled by the State, sometimes outlawed altogether, and the faithful are harassed, intimidated and thrown in jail.

It detracts from the credibility of the nonaligned movement when gross violations of international law are ignored or when human rights violations in the West are focussed upon while those of the East—as in Afghanistan and other places—are overlooked. Credibility is the movement's currency, and it should not be so debased.

Our desire, and our policy, is to view every country in the developing world in its own right. Contrary to some misconceptions, we do not seek to inject East-West controversies into Third World issues or to attempt to force the countries of the Third World to choose between affiliation with the West or the East. We not only respect nonalignment, we value it as a precious contribution to global security, peace, and freedom.

Sadly, the world is much beset by regional conflicts which pose immediate dangers to the independence of developing countries and sometimes raise the grave danger of outside involvement. The world community therefore has a vital stake in strengthening the rule of law. It is the smaller countries of the world most of all whose well-being depends on the rule of law—on the principles of peaceful settlement of disputes, noninterference and respect for the sovereign independence of states.

Recently the world was shocked by the tragic events over the Sea of Japan.[9] The callous murder of 269 civilians aboard a commercial airliner was only compounded by the bald and careless lies of those responsible, and the absolute contempt they showed for the just inquiries of the international community. The Soviets even threatened that they would do it again. No remorse. No expression of regret or sorrow. It's apparent that they don't place the same value on human life that we do. Imagine saying, "We'd do it again."

I ask you: Would your own country wantonly shoot down an unarmed commercial airliner filled with innocent men, women, and children for any reason at all? Never. Nor would mine. When any nation shows such brazen disregard for the most basic rules of international behavior and the most elementary humanitarian considerations, it weakens the security of all nations and undermines the prospects for peace.

When developing countries come into conflict with each other, we believe that the best safeguard against expansion of local conflict is the concerted action of regional countries themselves—whether through institutions like the OAU, or informally, as the Maghreb countries have recently demonstrated. Such efforts will always have the support of the United States. On Lebanon, for instance, we are working with all concerned in an attempt to secure the peace and integrity of Lebanon. We are trying to help, not dictate.

Let me turn now to America's economic relations with the developing world. In the economic dimension, Algeria and America start from different philosophies. But we have learned that practical cooperation is not only fruitful but essential, because philosophy alone won't put a dollar or a dinar in your pocket, or contribute to a nation's economic development. Business is business. You need it and we need it.

The United States, too, was once a developing country, and our approach is very much colored by our historical experience. We have seen the free market system work—as a great liberator of talent, energy, initiative, and creativity. In our experience, technological innovation and economic growth came from the dynamism of private enterprise, not from government. And we saw this process of development work most effectively for us, in a political context of pluralist, constitutional democracy.

Other nations, we recognize, having a different history and philosophy, have chosen different models. Some have chosen ours, and we sincerely believe our approach has proven the most effective for many countries in the developing world. But we believe more strongly that every people should be free to choose their own way. We have no quarrel with those who choose a different economic system from ours—only with those who seek to impose their choice on others, or who claim to speak for workers without allowing workers to speak for themselves.

As Algerians know, there are no shortcuts to development. In the long term, trade—not aid—is the primary source of external resources to stimulate growth for all countries. In 1980, the developing countries had export earnings of about $580 billion. This amounted to 17 times their net inflow of resources from foreign aid. Therefore, the openness of the world's trading system is of crucial importance. As the world economy now moves toward recovery, it is most important for all of us to resist internal protectionist pressures—and indeed to move ahead on new measures of trade liberalization, such as we have undertaken with our Caribbean Basin initiative, with special care for the opportunities and vulnerabilities of the developing countries.

The United States has a strong tradition of support for development through bilateral and multilateral aid, through trade liberalization, through strengthening international institutions, and through technology transfer from the private sector. In the decade of the 1970's, the United States Government provided $57 billion to the developing world—$43 billion in official aid, and $14 billion in contributions to the multilateral development banks. Our foreign aid program has increased each year of the Reagan administration, even while many domestic programs for our citizens have been cut. The United States continues to be the world's largest contributor of official development aid, and over two-thirds of our aid goes to the poorest countries. We have played an active role in multilateral efforts to ease debt problems, and we are proud of it.

[9] Reference is to the Soviet shooting down of a Korean Airlines plane.

The bilateral economic relationship between the United States and Algeria is proof that cooperation can be mutually beneficial for two very different economic systems. You have welcomed modern technology from the West and yet preserved your values, your independence and your nonalignment. The United States is happy to have cooperated in algeria's technological progress. Our mutual experience shows that American private business and Algeria's *enterprises nationales* can work as partners, to mutual benefit. As Commerce Secretary Baldrige's recent visit demonstrated, we are ready to do more.

The American economy is now launched on a vigorous, sustained recovery. This is probably the single most important thing we can do to help restore growth in the developing world. In the United States, inflation and interest rates are way down from past years, and the key indicators of production are up sharply. We are embarked on a broad program of regulatory relief, to get the Federal Government off people's backs and out of their pockets. Growth with low inflation has also returned in Britain, Germany, Japan, and others, which together with the United States account for about three-quarters of the production of the industrialized nations. If we all maintain discipline in our policies and freedom in our trading system, the entire world may be headed into a new period of steady, long-term, noninflationary economic expansion.

We in the United States know that our own future is very much bound up with the future of the rest of the world. Political turmoil and regional conflict affect international security, which threatens us all. And our own economic health is very much enhanced by the economic vitality of the world economy, of which the developing world is an increasingly important part.

To any country that seeks freedom, peace, and free and fair trade, the United States will be a reliable friend. We look upon the problems of peace and economic development as challenges facing us all. We are prepared to do our part to help. We hope that others will meet us in the same spirit.

The United States is proud of its growing relations with Algeria and its long friendship with the people of the Maghreb. We are privileged to be able to work with you on the common agenda facing mankind. If we are at odds, there is little that we can accomplish separately. If we work together, there is much we can do to make the world a better place for all our peoples.

Thank you for your hospitality.

Document 299

Transcript of a Press Conference by Vice President Bush, Algiers, September 15, 1983 (Extracts) [10]

Economic Cooperation With Algeria

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Q. Augot, Agence France Presse. What do you think of the attitude of, rather the refusal of King Hassan II to talk with the Polisario directly?

A. Well the U.S. position on that is well known—we do support the referendum. Who talks to whom is an African matter and should be resolved between the various countries and interests involved. That is our position. We do favor the implementation of the OAU call for a referendum and we would like to see that go forward.

Q. Joelle Stolz, Radio France Internationale. You seem to want to have the United States participate in Algeria's economic development. But is the American Government ready to give guarantees—Government to Government—that Algeria, in general, has asked for in order to encourage economic contracts? Is the United States ready to give official guarantees to guarantee commercial contracts which may be concluded? Is the United States ready to give official guarantees to guarantee commercial agreements?

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[10] Source: Office of the Press Secretary to the Vice President. Vice President Bush answered questions from French and Algerian journalists at the Houari Boumedienne International Airport prior to his departure from Algiers.

A. You have to understand the American system. Our system is built on private enterprise. Our system is built on contracts with business enterprises in many things. Sometimes there is government to government. Often, most often, it is one entity in a country with private business enterprise, in which case there is no government guarantee and that's when one trades with the United States which is the largest producer in the world. That's the way it works. But for the most part, commercial deals are made with private business enterprises in the United States. Sometimes there are government guarantees.

[Q.] Taieb Belgiche, El Moudjahid. Mr. Vice President, I have three questions to ask of you. First, on your arrival you emphasized the fact that the United States is undertaking efforts to encourage and stimulate cooperation in the Maghreb. However, a conflict, that of the Western Sahara, unfortunately hinders these efforts. In the context of the (Western Sahara) conflict, the United States in 1979 greatly increased its shipment of arms to Morocco, as they said, to help them (the Moroccans) get out of the war and to resolve the problem through negotiation. This war continues five years later. Morocco continues to refuse to negotiate. Can't one conclude, therefore, that these arms deliveries to Morocco have actually encouraged Morocco to pursue the war, and could the shipments of arms encourage Morocco in other adventures by enlarging the field of confrontation? I have a second question, if you will. I have three questions to ask. You stated furthermore, in yesterday's speech [11] that the United States is not trying to introduce East-West differences into the issues which concern the Third World. Don't you think that these massive arms shipments could help to introduce, in fact, an East-West confrontation in this region?

A. The answer to that question is no. I will go back to the first question, but go ahead, I don't believe that. This isn't an East-West argument and the United States has no intention of making it into an East-West problem. It is a problem of the Maghreb. It is a problem for discussion, for negotiation and nothing in U.S. policy is designed to widen this dispute that everybody here is aware of to make it into a U.S.-Soviet thing. Absolutely not. And similarly anything that the United States has done by way of cooperation with Morocco should not be interpreted here, and I have had a chance to tell the leaders this, as anti-Algerian. The answer is not military action. The answer is consultation, implementation and discussion. And that's what we favor and the United States is in no position, nor do we want to be in a position, to dictate or impose, or anything of that nature. That is not our role, that is not our purpose. The third? This is what we call at home a "follow-on."

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Q. Algerian Press Service (APS). Mr. Vice President, in your speech yesterday, you gave, if I may say so an apologia of the capitalistic system, and criticized in veiled terms, the countries of the East. Why have you chosen Algeria, a Socialist country, and one which has very good relations with countries of the Eastern (bloc), to deliver such a speech? What is your objective?

A. Well, you know, it was an excellent opportunity to address an important audience, not only of government officials and leaders, but of students, and our relationship with Algeria, you see, is a developing relationship, improving relationship. Just as it is important that a visit like this gives me a chance to talk to the Algerian Ministers and understand the conviction behind their system and their approach—or in this instance, your system, your approach—it is also important as this relationship develops that they understand convictions that we Americans have about our system. I am an advocate for our system, proud advocate for our system, not an apologia but having said that, at the same time we can have respect for the Algerian experience, for what Algeria is doing. The progress that Algeria has made. So I was up there saying this is what the United States is about, this is what our system is based on. We are proud of it, we think it is [*has*] helped not only the American people but a lot of other people, and we want you to understand how strongly we feel about it. Having said that, we respect what Algeria is doing, and I respect it more having had the opportunity to visit at length with President Chadli Bendjedid and President Bitat. And so many others who have given disproportionately of their time and that

[11] *Supra.*

all means understanding, mutual understanding, mutual respect. That was what that was all about yesterday . . . .

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Document 300

Transcript of a Press Conference by Vice President Bush, Tunis, September 16, 1983 (Extracts) [12]

U.S. Relations With Tunisia

BUSH. I have a short statement which we'll translate and then I will be glad to respond to your questions. Our departure today concludes our visit to the Maghreb, three countries—and in many ways it's fitting that Tunisia should be the last stop in this part of the world—I'd like to just take a moment to reflect on my stay here in Tunisia.

Though our stay was short, we were able to accomplish much—thanks largely to the Prime Minister's skill at getting straight to the heart of every matter. Even when we disagree, our differences are those of friends. Tunisia and the United States share a common approach to the world—an approach founded on the belief that international relations should be based not on subversion, threats, mindless calls to arms, but on cooperation, mutual respect, and reason. And here in the Maghreb—this dynamic, youthful, rapidly changing region of the world—the United States has no stauncher or more important friend than Tunisia. And this is just as true now as it's been for the last quarter of a century. We admire Tunisia's achievements, in which we are gratified to have been able to play a part. We support Tunisia's independence from external threats and pressures and we respect Tunisia's nonaligned status. Our support for Tunisia's security reflects not geopolitics, but our profound belief that the Tunisian model of responsible political and economic development is one which has achieved significant progress and one that some others—including those who sometimes cast a covetous eye on what Tunisia has done—would do well to emulate. The kind of international environment that we seek to foster is in essence one in which the Tunisias of the world are free to progress and develop in accordance with their particular national genius. And I am happy to say that I come away from this visit with a renewed and deepened sense of confidence, both in the underlying strength of our friendship, and in the achievement of Tunisia's institutions and political traditions.

And finally, Mrs. Bush and I want to especially thank President Bourguiba, as well as our good friends the Prime Minister, the Foreign Minister, and all their colleagues for all their wonderful hospitality. We really have been deeply impressed by the history which surrounds us here, the dynamism of a modern Tunis, and the warmth and the unquestionable sincerity of all the Tunisians that we have been privileged to meet. And now I'll be glad to take questions, yes sir.

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Q. (In French) You have discussed a theme which Algiers holds especially dear, the movement for Arab Democratic Nationalism like ours, the theme of nonalignment. How do you think it is possible to reconcile on the geostrategic and economic plane this choice with the following facts: first of all the systematic policy favoring Israel adopted by the United States to the detriment of the fundamental interests of the Palestinians. Secondly, the accelerated development of RDF called for to intervene notably in the Gulf and on the African continent—a force which envisages attaining 4,000,000 men equipped [unintelligible]. Thirdly, the negative attitude adopted by the United States toward the Third World marked by the refusal to take into account the ultimate aspirations of the countries of the Third World for economic independence. And finally, fourthly, [unintelligible] the American administration, the theme of human rights and the U.S. support of non-democratic regimes.

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[12] Source: Office of the Press Secretary to the Vice President. Vice President Bush's opening statement was also printed in Department of State *Bulletin*, November 1983, p. 15. The press conference took place prior to the Vice President's departure for Yugoslavia.

A. This may take a while but I'll be glad to respond. First, I think I've answered the first part of your question as it relates to Israel. We have good, strong relations with many Arab countries, many muslim countries, and yes, we have good, strong relations with Israel, and I think I've explained to this gentleman what our policy is. I see no conflict at all between an RDF, Rapid Deployment Force, able to support strong friends of the United States, strong friends of Tunisia in the gulf. I see no conflict between that and nonalignment—none—no conflict whatsoever. There are radical elements that threaten the gulf. There are radical elements that threaten the Maghreb from time to time, there are radical elements that do not share Tunisia's view. And if they don't have a friend that is strong and willing to respond, where are they going to turn to protect their experiment in democracy and their progress and their independence. About question three, the negative attitudes of the United States on the Third World, I assume you are talking about North-South. I would like you to report accurately that the United States is by far—by far—the largest donor of multilateral aid, bilateral aid in the entire world. Helping people that want to become independent, helping people that are independent—by far—nobody is close to us. And that is done not to acquire power, not to acquire hegemony but because it's the right thing to do. Having said that, we think countries like Tunisia that encourage investment and jobs, encourage trade with other countries is on the right approach, rather than those countries that are always saying please give me more money, please give me more money, please give me more money. Tunisia has a different approach. We respect it. and yet we have tried to be helpful to them in both aid and in terms of investment opportunity. Lastly, human rights, we're not perfect. But who is? The United States commitment to human rights is well known throughout the world. There is no retreat, but it is not our intention to dictate on the internal affairs of every country with whom we have aid arrangements or whatever kind of arrangements that they have to be exactly like we are. That is not our view. It is not our view that we should intervene in the internal affairs of every country and say unless you conform to our total standard of human rights we'll have nothing to do with you. That's not our approach. And yet our commitment to human rights remains strong. If you don't believe it, attend a press conference in Washington, D.C. You would hear the criticism people get there. This is mild.

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Document 301

Resolution 38/40, Adopted by the U.N. General Assembly, December 7, 1983 [13]

The Question of the Western Sahara

The General Assembly,

Having considered in depth the question of Western Sahara,

Taking account of decision AHG/Res.103 (XVIII) on the question of Western Sahara, [14] adopted unanimously by the Assembly of Heads of State and Government of the Organization of African Unity at its eighteenth ordinary session at Nairobi from 24 to 27 June 1981, as well as all the relevant resolutions of the Organization of African Unity, and reaffirming all the relevant resolutions of the United Nations on the question of Western Sahara,

1. *Takes note* of resolution AHG/Res.104 (XIX) on Western Sahara, [15] adopted unanimously by the Assembly of Heads of State and Government of the Organization of African Unity at its nineteenth ordinary session, held at Addis Ababa from 6 to 12 June 1983, as follows:

"*The Assembly of Heads of State and Government of the Organization of African Unity,* meeting in its nineteenth ordinary session in Addis Ababa, Ethiopia, from 6 to 12 June 1983,

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[13] Source: U.N. General Assembly Resolution 38/40, February 23, 1983. The resolution was adopted by the General Assembly without objection.

[14] See A/36/534, annex II. [Footnote in the source text. Also see A/36/602, annex II, printed in *American Foreign Policy: Current Documents, 1981,* p. 805.]

[15] See A/38/312, annex. [Footnote in the source text.]

"*Having examined* the report of the Implementation Committee of Heads of State on Western Sahara,

"*Recalling* the solemn commitment made by His Majesty King Hassan II at the eighteenth ordinary session to accept the holding of a referendum in Western Sahara to enable the people of that territory to exercise their right to self-determination,

"*Recalling with appreciation* His Majesty King Hassan's acceptance of the recommendation of the sixth session of the *Ad Hoc* Committee of Heads of State on Western Sahara contained in document AHG/103 (XVIII) B, annex I, as well as his pledge to co-operate with the *Ad Hoc* Committee in the search for a just, peaceful and lasting solution,

"*Reaffirming* its previous resolutions and decisions on the question of Western Sahara, and in particular AHG/Res. 103 (XVIII) of 27 June 1981,

"1. *Takes note* of the reports of the Implementation Committee of Heads of State on Western Sahara;

"2. *Urges* the parties to the conflict, the Kingdom of Morocco and the POLISARIO Front, to undertake direct negotiations with a view to bringing about a cease-fire to create the necessary conditions for a peaceful and fair referendum for self-determination of the people of Western Sahara, a referendum without any administrative or military constraints, under the auspices of the Organization of African Unity and the United Nations and calls on the Implementation Committee to ensure the observance of the cease-fire;

"3. *Directs* the Implementation Committee to meet as soon as possible and, in collaboration with the parties to the conflict, to continue to work out the modalities and all other details relevant to the implementation of the cease-fire and the conduct of the referendum in December 1983;

"4. *Requests* the United Nations in conjunction with the Organization of African Unity to provide a peace-keeping force to be stationed in Western Sahara to ensure peace and security during the organization and conduct of the referendum;

"5. *Mandates* the Implementation Committee with the participation of the United Nations to take all necessary measures to ensure the proper implementation of this resolution;

"6. *Requests* the Implementation Committee to report to the twentieth ordinary session of the Assembly of Heads of State and Government on the result of the referendum with a view to enabling the Assembly at that session to reach a final decision on all aspects of the question of Western Sahara;

"7. *Decides* to remain seized with the question of Western Sahara;

"8. *Requests* the Implementation Committee in the discharge of its mandate to take account of the proceedings of the eighteenth and nineteenth ordinary sessions on the question of Western Sahara and to this end invites the Secretary-General of the Organization of African Unity to make available the full records of the said proceedings to the Committee;

"9. *Welcomes* the constructive attitude of the Sahrawi leaders in making it possible for the nineteenth ordinary session to meet by withdrawing from it voluntarily and temporarily."

2. *Requests* the Secretary-General to take the necessary steps to ensure that the United Nations participates effectively in the organization and conduct of the referendum and to report to the General Assembly and the Security Council on this subject and on the measures requiring a decision by the Council;

3. *Urges* the Secretary-General to co-operate closely with the Secretary-General of the Organization of African Unity with a view to the implementation of the pertinent decisions of the Organization of African Unity and of the present resolution;

4. *Requests* the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples to continue to consider the situation in Western Sahara as a matter of priority and to report thereon to the General Assembly at its thirty-ninth session.

Document 302

Transcript of a Press Conference by the Secretary of State (Shultz), Rabat, December 11, 1983 (Extracts) [16]

Secretary Shultz's Meeting With King Hassan II

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Q. What about the discussions you had this afternoon with King Hassan II?

SECRETARY SHULTZ. The discussions went on for around two and a half hours. We discussed matters of mutual interest having to do with the Middle East—Lebanon, the peace process, the problems of the Palestinians. We discussed bilateral questions involving Morocco and the United States. We discussed His Majesty's initiative in calling for a referendum, and of course the United States supports that. We discussed events in Europe. King Hassan was interested in the meetings I had just been in, NATO meetings. In other words, they were very wide ranging discussions.

Q. Mr. Secretary, what's the American perception concerning the development of events in West Africa, if the African parties responsible for the preparation of the referendum refuse the suggestion which was proposed by His Majesty the King as the final solution to the problem of the Sahara?

SECRETARY SHULTZ. I think first of all we have to wait; there is an initiative that His Majesty has proposed, and I think that if people have an opportunity to express themselves, that's really the proper way to do it. I hope that people from around the world will support this initiative, and I hope that it does come to pass.

Q. Mr. Secretary, did the King or any of the other Moroccan officials have anything to say about the new strengthened relationship between the United States and Israel?

SECRETARY SHULTZ. I described the intent of our recent visit from Prime Minister Shamir and also from President Gemayel, and I think His Majesty was well posted among the subjects that we discussed.

Q. Did he show any enthusiasm?

SECRETARY SHULTZ. His Majesty is a very sophisticated man and I think I won't speak for him, he'll speak for himself, but from my standpoint we had a searching and satisfactory discussion.

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Q. Mr. Secretary, did you and the King discuss any ways of putting momentum behind President Reagan's peace plan for the Middle East, and if so, what was said?

SECRETARY SHULTZ. We did discuss that at great length and His Majesty had a number of suggestions. Without feeling it proper to try to quote His Majesty, I believe, myself, that the problem of the Palestinians is at the center of the issue, and of course what we look for, and have wanted to see for a long time, is a legitimate group of Palestinians join with King Hussein and be ready to sit down at the peace table with Israel, and try to work out what sort of arrangements will bring about stability in that part of the world. We did discuss that and other issues of the Middle East in great detail.

. . . . . .

Q. Mr. Secretary, you heard during your stop in Tunis [17] considerable criticism of the recent U.S.-Israeli policy and I am wondering if you have heard similar criticism here during your stop in Morocco?

SECRETARY SHULTZ. We have certainly discussed the U.S.-Israeli relationship, and particularly the relation of some of our thinking, with the Israelis, when they visited us, to the Soviet buildup in Syria, but

[16] Source: Department of State Press Release 426, December 19, 1983; also printed in Department of State *Bulletin*, February 1984, pp. 17–18. Secretary Shultz held this press conference at the U.S. Embassy in Rabat. He visited Morocco, December 10–12, 1983, while returning from a North Atlantic Council ministerial meeting in Brussels.

[17] Secretary Shultz visited Tunis, December 9–10, 1983.

I found the discussion here was constructive and informative in tone, and I tried to respond and describe what we were doing and thinking. So far as I can see, it was received in that same spirit. But of course, I don't wish at all to speak for the Moroccans or King Hassan; they'll speak for themselves.

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D. Arabian Peninsula

Document 303

Prepared Statement by the Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs (Placke) Before a Subcommittee of the House Foreign Affairs Committee, March 10, 1983 (Extracts) [1]

Security Assistance to Oman and Yemen

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—*Oman*, strategically located on the Strait of Hormuz, is making a major contribution to our Southwest Asian security posture by granting the U.S. access to military facilities. By providing modest military and economic assistance, we demonstrate that we are prepared to support the very real security needs of this country, which faces Iran across the Strait and which has a history of past conflict with Soviet-backed South Yemen.

—*The Yemen Arab Republic*, The poorest nation in the region, occupies a critical location on the southern border of Saudi Arabia and at the Bab al-Mandab entrance to the Red Sea. Our assistance to Yemen contributes an important increment to its development needs and, in cooperation with Saudi Arabia, makes a vital contribution to its security and that of the Arabian Peninsula generally.

The United States has a strong interest in the stability and orientation of these countries over the period ahead. Our continuing support to help them face external and internal challenges is a major factor in advancing our interests in the region.

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For Oman in fiscal year 1984, we are requesting $15 million ESF, $45 million in FMS guarantees and $100,000 for IMET. Under the FY 1983 supplemental request, Oman would receive $10 million in FMS for a total of $40 million in this fiscal year.

Oman has given vital support to U.S. interests in the region by allowing access for our forces to specified ports and airfields. These facilities, which would be crucial to any effort to confront aggression in the Gulf, are now being improved under a major construction program. It is important that Oman's armed forces be modernized so that they can contribute even more effectively to Oman's defense. Moreover, Oman has accepted risks and criticism by its steadfast support of the Camp David peace process and particularly of Egypt's role.

Omani security needs are real. Oman shares a common border with Soviet-backed South Yemen. Though tension between the two countries has eased, South Yemen still represents a security threat to the Sultantate. In addition, potentially hostile Iran is only a few miles distant across the Strait of Hormuz. By providing modest assistance, we can demonstrate that we are committed to a growing security relationship as part of our strategy in the area.

Our relationship with Oman also recognizes the rapid progress this country has made during the past decade in creating modern economic and social infrastructure where a traditional society existed before. Oman has been helped in this endeavor by its oil income. But these resources are small by the standards of the region and in relation to the development

[1] Source: *Foreign Assistance Legislation for Fiscal Years 1984–85: Hearings and Markup Before the Subcommittee on Europe and the Middle East of the House Foreign Affairs Committee, House of Representitives, Ninety-eighth Congress, First Session* (Washington, 1983), Part 3, pp. 152–153, 155–159. For the introduction and conclusion of Placke's prepared statement and his description of proposed assistance to Jordan, see document 331.

task it is facing. The country has received substantial assistance from friendly countries in this difficult task and will rely on similar help in the future.

In an effort to broaden our relationship with Oman beyond its security aspects, the U.S.-Oman Joint Commission was established in 1980 in conjuncion with the facilities access agreement. We provide $5 million a year in ESF grants to fund the operation of the Joint Commission, feasibility and design studies, technical assistance and training. A $10 million ESF loan program has thus far concentrated on water resources and is planned in fiscal 1984 for school construction.

For the Yemen Arab Republic in fiscal year 1984, we are requesting $28 million in Development Assistance, $3 million in PL-480 Title I, $15 million in grant Military Assistance Program and $1.5 million in IMET for fiscal year 1984. Our fiscal year 1983 supplemental asks $6 million in FMS guarantees for a total of $10 million, and $4 million MAP for a total of $5 million in FY 1983.

U.S. economic and security assistance in Yemen is part of our effort to counter the Soviet challenge in the Middle East and to confront the challenge of radical forces in the region. Our security assistance helps to provide Yemen with an alternative to exclusive reliance on the Soviet Union from which Yemen for a long period obtained the bulk of its military supplies.

The YAR scored a series of victories over Marxist-led insurgents last year, culminating in a cease-fire which left the YAR government in the most secure position it has enjoyed since the outbreak of the insurgency. However, the threat of externally sponsored aggression or subversion persists, and the threat is aggravated by Yemen's presently deteriorating economic condition.

The YAR is unable to utilize FMS funds because these would increase its medium-term debt burden. Nevertheless, the country has essential training requirements related to the 1979-80 arms purchase financed by Saudi Arabia. These requirements cannot be fully met through our IMET program, and we are requesting grant funds in FY 1984 in recognition of the Yemeni financial situation. This training contributes to Yemen's security and lessens Yemen's dependency on Soviet military assistance. This continues the process of orienting Yemen toward moderate Arab States and the West. A portion of the MAP funds will also be utilized for purchase of required spare parts and ammunition.

It is equally important that we contribute to Yemen's effort to develop its human and economic resources. The severe earthquake last December added a new dimension to Yemen's already troubled economic situation, which has experienced declining levels of foreign aid and reduced remittances from workers in Saudi Arabia and the Gulf States. The proposed new PL-480 Title I program represents a further modest but recognizable effort to respond to Yemen's increased economic need.

Our development assistance funds will continue programs designed to meet basic human needs in education, primary health care, and a major effort in the agricultural sector and rural water systems. We also intend to initiate a modest family planning project. Many of these programs are integrated with efforts of other donors with whom we seek close cooperation to maximize the impact of the limited aid funds available. Our projects concentrate on the development of human and organizational resources upon which the Yemen can build its own development programs.

We believe that our developmental and military assistance programs correctly address the most pressing needs of the YAR in a realistic manner, and represent the most effective and efficient use of the assistance resources we are presently able to provide.

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Document 304

Statements by President Reagan and Sultan Qaboos, April 12, 1983 [2]

Reaffirmation of U.S.-Omani Friendship

THE PRESIDENT. Your Majesty, it's always a pleasure for me to meet good friends on behalf of the American people. But welcoming you, a courageous and admirable leader, is, indeed, an honor.

I've read of your many accomplishments, your commitment to your people and your dedication to your ideals. And I've looked forward to this day when we could meet face to face.

Your Majesty, the American people are deeply impressed by what you've achieved. Since you assumed leadership, your country's progress—economically, socially and politically— has established your reputation as a compassionate leader who can get things done. In an inspiring commitment to the long-run interest of your people, you've built a modern educational system, of which any country would be proud.

Similarly, the level of health care available to your people is testimony to the humane character and businesslike efficiency of your leadership, and your building the infrastructure of a modern economy, fulfilling the prerequisites for progress for your people.

Your Majesty, we're pleased that as your friends we were able to make some small, but we hope significant, contribution to your bold endeavors. In your 1980 National Day address, you put forth a goal to your people. You said, "Self-reliance is to be the keystone of all our plans for the future." With this as a guidepost, you have moved forward to diversify your economy.

Now, the people of Oman are able to rely on agriculture, mining, industry, fishing and other commercial endeavors, in addition to oil, to support an acceptable quality of life. We applaud this far-sighted approach and hope that we can continue to play a helpful role.

But, Your Majesty, as you're keenly aware, peace and security are irreplaceable ingredients for progress. It is no secret that vital national interests motivate the United States in the Middle East. We and our allies depend on oil originating there, much of it moving close to your shores through the Straits of Hormuz.

Yet, unlike another world power which encourages and exploits conflict, the United States sees its interests fulfilled in regional peace and stability. We are, thus, committed to work with those in the Middle East who need our help to secure peace and to deter outside aggression. To this end, we've made rapid progress in recent years, developing the capability of coming to the assistance of our friends, wherever they may be.

I'd like to take this opportunity to thank you, your Majesty, for your support of our efforts to deter aggression. The brutality we've witnessed in Afghanistan, the attempt to suppress an entire population, the debasement of its religion and the use of chemical weapons and other crimes against civilization, suggest that our concerns are well founded.

In recent years, you've made many laudable contributions to peace. We appreciate, for example, your continued support for peaceful accommodation between Israel, Egypt and its other Arab neighbors. The United States remains morally committed to further progress in the direction of peace and security for all the peoples of the Middle East. The plan I outlined on September 1st last year is still on the table.

While there may be bumps along the way, we will not be deterred from our long-term objective, which is a broad-based settlement firmly grounded on United Nations Security Council Resolutions 242 and 338 and consistent with the Camp David framework.

As we speak now, radical elements are seeking to prevent an agreement which would permit King Hussein of Jordan to join the peace process. The choices facing

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[2] Source: White House Press Release, April 12, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, April 18, 1983, pp. 534–536. These remarks were made on the South Grounds of the White House at 10:15 a.m., following the arrival ceremony for the Sultan of Oman. The state visit of the Sultan of Oman lasted from April 11 to 15, 1983. The source text is the text as actually delivered.

the Palestinian leaders are clear—either the status quo and the continued frustration of their peoples' aspirations or a bold and courageous move to break the deadlock.

For our part, we will not permit the forces of violence and terror to exercise a veto over the peace process. Commenting about the conflicts surrounding Israel, you recently observed, "People now want to see the problem solved once and for all in every respect."

Your Majesty, that is certainly our desire. And I can assure you, we will spare no effort to put an end to the killing and to bring this dreadful chapter in Middle East history to a conclusion acceptable to all sides.

I look forward to discussing this problem and other important matters relating to Middle East peace with you today. Lasting peace will come when individuals of good will, though in disagreement at times, work together to prevent conflict. We have followed with interest your own efforts to foster regional cooperation, particularly the improvement in your relations with South Yemen. We wish you continued success in your attempts to eliminate the causes of tension and instability in the Gulf.

Your Majesty, we're proud to be on your side in your quest for a better life for your people and your search for peace and stability. Relations between our two peoples have spanned a century and a half. I am confident that your visit today will serve to further strengthen the bonds between us. We're happy that you have come to visit, and welcome.

SULTAN QABOOS. Thank you very much. (Applause)

Mr. President, I greatly appreciate the warm and generous words with which you have welcomed me to your great country today. It gives me particular pleasure that this, my first state visit, should so happily coincide with the 150th anniversary of the establishment of those friendly relations which have remained constant between our two countries to the present day. That these relations should have stood the test of time with which [*such?*] constancy is hardly surprising, for our two peoples share common and deeply cherished traditions which lie at the very foundation of our national existence.

Indeed, it was these profound beliefs in tolerance, justice, and determination to defend freedom and to uphold the sanctity of human rights which provided the great impulse which brought men from many parts of the world more than 200 years ago in a pilgrimage to this beautiful land to realize their dream of a new life and to found a nation which would enshrine those principles forever.

Mr. President, over years the United States of America has striven unceasingly to make this world a better place for humanity, but nothing you have achieved has surpassed the example of your steadfast championship of those principles often at great sacrifice and in the face of the most daunting obstacles. I and my people who have, ourselves, fought through many bitter years of struggle to maintain our country's freedom and will do so again should the need ever arise are deeply conscious of this. For we know from our own experience that peace must go hand-in-hand with dignity and freedom; that life, if it is to be worth living, can only be founded on justice and respect for humanity and that these prizes are not easily won or preserved.

I believe that the world has never stood in greater need for these values than it does today. In recent years, the forces of aggression, intolerance, and lawless ambition have increasingly sought to impose their will on mankind. The world has had no respite from the continuing threat of instability.

Nowhere has this threat been more acutely felt than in our own region of the Middle East where we and our brother states of the Gulf Cooperation Council [3] have pledged ourselves to work together in the closest accord to safeguard our peoples and our ancient culture.

Mr. President, I welcome the constructive understanding your country is showing of the problems which confront our region. And I am convinced that the measures you have taken will greatly contribute to the maintenance of peace and security there. I, also, warmly commend

[3] On February 4–5, 1981, the Foreign Ministers of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates met in Riyadh to establish a Cooperation Council of the Arab Gulf States. The heads of state of the member countries held their first meeting in Abu Dhabi, May 25–26, 1981.

the endeavors you have made to help bring about an honorable solution to the strategic Middle East situation, endeavors which, as you know, Oman has unswervingly supported. It is imperative that efforts to achieve this solution continue not only in the cause of common humanity, but because so long as the present situation persists, then so long will it present a continuing threat to world peace and provide opportunity for those forces which exploit the misery and dissension it perpetuates to further their own ambitions.

Mr. President, I am sure that my visit will not only serve as a reaffirmation of the cordial relationship that has for so long existed between our two countries but will further strengthen the mutual confidence and understanding upon which that relationship rests. (Applause)

Document 305

Transcript of a White House Press Briefing, April 12, 1983 (Extracts) [4]

Visit of Sultan Qaboos of Oman

SENIOR ADMINISTRATION OFFICIAL. Let me start with a little bit of background. This is the first visit by the Sultan in 8 years. He was here in 1975. We have had 150 years of political relations, as the Sultan mentioned in his remarks. [5] And we opened our Embassy in Muscat on July 4, 1972.

The visit symbolizes the importance the U.S. administration attaches to both U.S.-Omani bilateral relations and to the important constructive role played by Oman under Sultan Qaboos in the Gulf and in Mideast regional affairs.

We had four general objectives: To permit the Sultan and the President to know each other; to form personal relationships; to strengthen and broaden the already close relations between Oman and the United States; to review regional security and political issues and U.S.-Omani cooperation in dealing with these issues; to discuss the peace process, President Reagan's peace initiative and other regional issues.

The first meeting took place from 10:30 a.m. to 11 a.m., approximately, in the Oval Office. Present on our side were the President, Vice President, Secretary of State, Judge Clark and Ambassador John Countryman. On the Omani side, there was the Sultan and the Foreign Minister. I will have to get you other names from the White House, if you're interested.

This meeting of approximately half hour, apart from get-together discussions, touched on a variety of issues. But at the beginning of the broader meeting, which started at approximately 11 a.m., the President introduced the broader meeting by briefly reviewing the discussions in the previous meeting where there was a very heavy focus on the peace process.

In the discussions, there was a brief review of bilateral issues, in which we have no problems. It was more a quick review of elements of this relationship. There was a discussion of the peace process. The discussion involved the issue of how the recent position of the PLO leaders, as communicated to King Hussein, serves the Palestinian cause in general and the rights of the approximately 1 1/2 million Palestinian people under occupation in particular. Both sides acknowledge that there were problems at the present time as we look to the future of the peace process, but they also agreed on the need to persevere in the search for peace and stability in the area.

As you know, the Sultan and Oman have been strong supporters of the Camp David Accords, and Oman is a strong supporter of the President's September 1 initiative.

On Lebanon, the Sultan emphasized the need for an early solution there to allow Lebanon to be free of all foreign forces, give it the chance it deserves to develop itself. In the context of his remarks he noted the dangers to the Lebanese consensus of continued foreign occupation.

There was also a thorough discussion of the Iran–Iraq war, of the dangers of the continuation of this war which was gener-

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[4] Source: White House Press Release, April 12, 1983, Office of the Press Secretary to the President. The briefing was conducted on background by a senior administration official in the Briefing Room of the White House, beginning at 11:54 a.m.

[5] *Supra*

ally recognized to be useless and purposeless bloodshed at this point, the need for meaningful initiative to try to bring the hostilities to an end.

Apart from the basic issues of security and stability for the area, there was also discussion of the very great ecological danger of the current oil spill which is a by-product of this war.

There was some discussion on the Omani side on the meetings taking place in a regional, marine ecological body, to which all of the Gulf countries and Iran belong, in the hope that this forum could lead to agreements which could allow the oil spill to be taken care of.

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Q. Despite what they discussed, is there a role that the United States feels the Sultan can play in getting—in your plan? Is there, despite what they discussed, is there a role the United States feels the Sultan can play in getting the peace talk back on track or the negotiations back on track?

SENIOR ADMINISTRATION OFFICIAL. We think that the Sultan's support is extremely important in itself. And I think that he personally, and Oman's influence within the GCC is important, has grown over the last period of time. We think that's the most important role that the Omanis can play at this time is to continue to indicate their support. And—

Q. —have any discussion at all of U.S. forces in the Gulf region?

SENIOR ADMINISTRATION OFFICIAL. Not in the sense of U.S. forces in the Gulf region. As you know, we have a very close, cooperative relationship with Oman in the security field. They have made available to us certain facilities to be used in emergencies. Those bilateral issues were described or discussed very satisfactorily during a visit that Admiral Howe, the Director in Political Military Affairs in State, and General Secord of ISA made out to Oman a couple of months ago. So, there was no issue with respect to that but a general review of our cooperation is probably the best way to discuss it.

Q. On the influence of Oman in the GCC, are you expecting the Sultan to persuade or did he ask him to persuade the Gulf states to support the Reagan initiative?

SENIOR ADMINISTRATION OFFICIAL. No. The Sultan supports the Reagan initiative. He's made no secret of it. Everyone knows this. And, as I said earlier, we believe that his continued support for the initiative is very important. And we have no doubt that—

Q. My question is with the influence in the GCC.

SENIOR ADMINISTRATION OFFICIAL. Let me put it this way. Nothing would please us more than if the entire GCC endorsed the Sultan's support of the President's initiative. But those are issues for them to work out.

Q. Did the Sultan bring any message from other leaders of the Arab world? Or did the President give him a message to take back to his fellow leaders concerning the peace process?

SENIOR ADMINISTRATION OFFICIAL. The Sultan did not bring messages from others. He came here in his own right. Obviously, in any discussion between a Gulf leader and the President of the United States when this leader addresses an issue of regional concern—be it the Lebanese problem or the peace process or the Iran–Iraq War, he speaks with some confidence in representing the views of others. I would say in that sense, he very clearly expressed at times that he was expressing opinions which others shared with him, but no real message.

To the extent that the President gave the Sultan a message, it was that we are—whether he shares it or not is up to him—but clearly that we are committed to our relationship of bilateral cooperation with Oman, that the Gulf remains an extremely important area, a priority American interest, a vital American interest that we intend to promote, and that the President remains committed to the search for peace and his own plan, and that we remain determined to achieve a settlement on Lebanon.

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Document 306

Statements by President Reagan and Emir Khalifa, July 19, 1983 [6]

State Visit of the Emir of Bahrain

THE PRESIDENT. Your Highness, it is a pleasure for Nancy and me to welcome you to the United States as a guest of the American people. Your concern for your people is well-known, particularly your commitment to the education and economic well-being of your citizens. Your personal involvement in the problems of even the humblest of your countrymen is legendary. For these reasons and others, I've looked forward to the day when we could meet.

Your Highness, you've guided Bahrain through a difficult first decade of independence with admirable skill, bringing economic progress with imaginative leadership. With far fewer oil resources than some of your neighbors, you've transformed Bahrain into a financial and industrial center with one of the most diversified economies in the region. Just as important, because of your progressive leadership, Bahrain also leads the area in health care and education. As it has been since ancient times, Bahrain continues to be a place where people of different cultures and religions live together in tolerance and peace. Your efforts to build a humane and diverse society provide an effective link in the exchange of technical skills and cultural values between East and West.

Under your leadership, Bahrain continues to be an inspiring example for all of the Middle East and the world. The American people are pleased to have been counted as supportive friends as you built this record of achievement. Our two peoples have been partners for progress and peace since the beginning of this century. We have found this relationship to be of great mutual benefit. Many of the 70 United States companies in Bahrain today continue to train Bahrainis in technology and other skills whether they be modern banking techniques, setting up new industries, or preparing coaches and athletes for Bahrain's Olympic teams. Our long history of private sector cooperation is a shining example of what can be achieved in a partnership based on mutual trust and respect.

Your Highness, as you are keenly aware, continued prosperity for your people and those of the Gulf region depend on peace and security. It is no secret that the United States has a vital national interest in the Middle East. We and our allies depend on oil originating there, much of it produced in and nearby your country. Yet we also recognize the value of partnership and respect for the culture and aspirations of states like your own—unlike another world power which seeks to impose its system by encouraging and exploiting conflict and unrest. But the United States seeks peace and stability. Together with other peace-loving nations in the Gulf region, we've made rapid progress in recent years, not only by helping our friends meet their own defense requirements but also by developing our own ability to come to their assistance should the need ever arise.

Many Americans who work in the region have experienced hospitality of the Bahraini people and for this I am most appreciative. During his recent visit, Crown Prince Hamad deepened his friendship between our two countries.

Your Highness, I want to assure you that I share your concern about the conflict between Iraq and Iran. The loss of tens of thousands of young men on both sides and the destruction borne by both countries is tragic.

I look forward to consulting with you about what more our countries might do to encourage a negotiated end to this conflict which threatens the security and even the marine ecology of the entire area.

We have appreciated your government's understanding as we pursue our goal of seeking the withdrawal of all foreign forces from Lebanon and securing a settlement for the Palestinian people that is firmly rooted in the principles of security

[6] Source: White House Press Release, July 19, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, July 25, 1983, pp. 1015–1016. The President and the Emir spoke on the South Grounds of the White House at 10:09 a.m., following the arrival ceremony. The Emir had arrived in New York on July 17, and in Washington on July 18. He departed for Bahrain on July 22. The source text is the text as actually delivered.

and justice embodied in the United Nations Security Council Resolutions 242 and 338.

As you know, Secretary Shultz returned recently from the Middle East.[7] We remain undaunted in our effort to prevent the forces of violence from exercising a veto over the rights of the Lebanese people. The people of Lebanon must have restored their basic human right to pursue their own destiny in an atmosphere of peace, security and mutual trust.

I look forward to discussing our many common concerns with you today. I know our shared goals of peace and prosperity for the region can be met in the same spirit of good will and partnership that has characterized our friendship thus far.

On behalf of the American people it is my privilege to welcome you to the United States. (Applause)

EMIR KHALIFA. Mr. President, I would like to offer my appreciation and thanks for the kind thoughts expressed in your address towards the State of Bahrain and for the welcome and hospitalities extended to us from the very beginning of our official visit to your friendly country. This indicates the strength of the friendly ties existing between our two countries.

I offer my genuine good wishes to the friendly people of the United States of America for their well being and prosperity.

I believe that this visit will succeed in developing the relations between our two countries, open up a new chapter in our fruitful cooperation and support our efforts to help maintain peace, security and justice for the world community. As you have referred, Mr. President, in your address, to some of the most important economic and political issues in the world, I should commend in this respect the positive role you play for the prosperity and security of the world. We, no doubt, support and uphold the great effort you make in this field; as we firmly believe that such issues are very important for the progress of the individual in the modern world and that without them clashes and war will break out. Clashes and war will break out and destroy all of the progress made over the years.

In the light of many common views we share in the political field, we believe, as you do, that the Middle East problem comes in the forefront of political issues in the world. It is one of the burning and explosive problems in the world, which passes now through a very dangerous stage that poses a serious threat to the world peace and security.

This imposes upon us the duty to make every effort to save the region from this disastrous situation. We hope that the sincere and good effort you make to find a suitable solution to this problem will result in establishing just and durable peace in the region which has been exposed to five major wars within 35 years with disastrous effects to its people. The tragic events in Lebanon and the damage it has suffered are but some of many inevitable results of the explosive situation in the region. Lebanon deserves all the help and backings so that its government will exercise full control over its unified territories.

We believe that—we believe that there will be no hope of stability in the Middle East without the application of the same universal principles upon the people of the region; and concluding, the Palestinian people, when they are dealing with their legitimate right to live in peace within secure national boundaries.

We are prepared to do our best and participate in every sincere, international effort to establish security in the Middle East region, within this framework, in order to put an end to this terrible conflict and enable the people of the region to live in peace.

Finally, it is my pleasure to conclude, by wishing you, Mr. President, all the success in your efforts for the progress and advance of the friendly people of the United States of America, and to bring peace, justice, and prosperity to the people of the world.

Thank you. (Applause)

THE PRESIDENT. Thank you.

[7] Secretary Shultz visited the Middle East between April 25 and May 8, and between July 4 and 7, 1983.

Document 307

Transcript of a White House Press Briefing, July 19, 1983 (Extract) [8]

Areas of U.S.-Bahraini Interest

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SENIOR ADMINISTRATION OFFICIAL. Just let me tell you the Emir was in the room with the Foreign Minister and the Minister of Health and one of his senior court advisers. On our side, there was the President, Vice President, Secretaries of State and Defense, Bill Clark, and Ambassador Sutherland.

The subjects that were discussed—a bit first on the bilateral relationship. There was really just a discussion of some of the issues, some of the topics and a reaffirmation of our interest—mutual interest in close cooperative relations. Most of the time was spent on regional issues, Middle East peace—focus on the Palestinian problem, a discussion of the Reagan initiative; Lebanon, agreement on the need to get all external forces out, a need to break the current impasse; Iran-Iraq war, they discussed the urgency and agreed on the urgency of finding a solution; Soviet issues, the problems of the Soviets in Afghanistan, the pressures this puts on the Gulf; the problems of instability in the general area redounding to the benefit of the Soviets. Our visitors were quite concerned about the threats this posed to the conservative monarchies of the Gulf.

The President asked the Secretary to discuss his current visit to the area and there was a focus on Syria, Syrian attitudes, on Lebanon. Now, a large part of the discussion was on Lebanon, in part because of the merits of the case, in part because of the topicality. President Gemayel is arriving. [9]

Then in the context of discussing the Iran-Iraq war, there was a considerable discussion—the President and the Vice President and the Emir on the problems of trying to find a way to isolate the oil spill, to cap the wells, to avoid further harm to the marine ecology. We discussed the things we have been trying to do individually and to some extent together, noting that the American experts are in place just waiting to be given the green light from a security point of view in order to end that threat to the ecology of the area.

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Document 308

Transcript of the Department of State Daily Press Briefing, August 16, 1983 (Extracts) [10]

Kuwait's Request For Withdrawal of an Ambassadorial Appointment

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Q. Do you have anything on the story in the *Post* today regarding Mr. Grove and the refusal of Kuwait to accept him as a U.S. Ambassador? [11]

A. Yes, I do. It is correct that the Government of Kuwait asked the United States to withdraw its request for agreement to the assignment of Mr. Grove as the next American Ambassador to Kuwait, succeeding Ambassador Francois M. Dickman.

In making its request, the Government of Kuwait indicated the sole reason for rejecting Mr. Grove's nomination was that

[8] Source: Office of the Press Secretary to the President. The briefing was conducted on background by a senior administration official in the Briefing Room of the White House, beginning at 11:35 a.m.

[9] President Amin Gemayel of Lebanon made an official working visit to Washington, July 19-23, 1983.

[10] Source: Office of Press Relations, Department of State. Alan Romberg, Department of State Acting Spokesman, conducted the briefing, which began at 12:28 p.m.

[11] *Washington Post*, August 16, 1983, pp. A1 and A8.

he had until recently served as Counsel [*Consul*] General in Jerusalem. We profoundly disagree with the suggestion that because one of our finest professional officers has been assigned to one post he cannot be assigned to another.

We have made known our views at the highest levels of the Government of Kuwait. A practical consequence of the Kuwaiti action is that the United States is not now represented at the Ambassadorial level in Kuwait. We have no immediate plans to nominate another candidate.

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Q. Just one more follow-up. Is it actually the first case like this, that an Arab country rejects a U.S. diplomat because of his service in Israel, or were there some cases like this in the past?

A. I am not aware of a precedent for rejecting a diplomat for service in Jerusalem or in Israel.

Q. The question was service in Israel. Was he actually accredited to the Israeli Government or not?

A. No. That's why I phrased my answer the way I did in response to the question. We would find objectionable a restriction of this sort in any event. In light of U.S. policy on Jerusalem, however, we find it especially ironic that the Government of Kuwait chose to take the decision it did. We've had a consistent Jerusalem policy for three decades. We do not recognize Jerusalem as Israel's capital. We have never recognized unilateral actions by any state in the area as affecting the status of Jerusalem.

We regard East Jerusalem as occupied territory within the meaning of U.N. Security Council Resolution 242 and subject to applicable international law and conventions.

The Counsel [*Consul*] General in Jerusalem, therefore, holds a special status. He is not accredited to the Government of Israel. He reports directly to the Department of State rather than through the U.S. Embassy in Tel Aviv.

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Document 309

Joint Communiqué of the U.S.-Saudi Arabian Joint Commission on Economic Cooperation, Riyadh, October 26, 1983 (Extracts) [12]

Economic Relations With Saudi Arabia

The United States-Saudi Arabian Joint Commission on Economic Cooperation convened its Eighth Formal Session in Riyadh, Saudi Arabia, October 25–26, 1983. The Minister of Finance and National Economy of the Kingdom of Saudi Arabia, His Excellency Mohammed Albalkhail, and the Secretary of the Treasury of the United States, the Honorable Donald T. Regan, Co-Chaired the meeting.

During the Eighth Session of the Joint Commission, the delegation of senior level United States Government policy officials had an opportunity to review with their Saudi Arabian counterparts the progress achieved over the last year in the cooperative programs carried out under the auspices of the Joint Commission, and to discuss new initiatives for the enhancement of mutual goals. Each delegation reaffirmed the high priority its government places on the bilateral technical cooperation under the Joint Commission and the significant contribution the program makes to strengthening ties between the two countries.

Discussions took place at two levels. During Plenary Sessions the two delegations met as a whole to review overall Joint Commission progress, to consider issues of general interest, and to formalize new program activities. In addition, delegates met in counterpart working sessions to review specific programs being implemented by United States and Saudi Arabian Government organizations and to discuss issues and future plans.

Secretary Regan and other members of the United States delegation paid calls on several senior Saudi Arabian Government officials outside the framework of the Joint Commission. Discussions took place on topics of mutual interest including global economic and financial developments, the

[12] Source: Department of the Treasury Press Release, November 10, 1983.

international debt and liquidity situation, and bilateral trade, tax, and investment issues. It was agreed that these sessions served to reinforce the strong ties of cooperation and friendship which have long existed between the two countries.

The United States-Saudi Arabian Business Dialogue met concurrently with the Joint Commission to confer on issues of private sector interest to both countries. Dialogue members participated with the official delegations in the opening and closing sessions of the Joint Commission proceedings.

The delegations reviewed progress achieved on several initiatives proposed last year to strengthen ties between the business and university communities in the two countries.

A major highlight of the meeting this year was the signing of two new program agreements in the areas of emergency medical services and space-related science and technology. A third program agreement was signed to extend cooperation in transportation.

. . . . . .

The highly productive proceedings were marked by open, constructively frank and friendly discussions which have characterized the Joint Commission since its inception. The Eighth Session of the Joint Commission was the largest ever held, involving twelve U.S. Government departments and agencies in program activities of twelve Saudi Government ministries and agencies. The two delegations noted with satisfaction the impressive progress which has been made since the establishment of the Joint Commission in 1974. [13]

The commission expressed its appreciation to all of the participating Saudi Arabian ministries and American departments and agencies for their commitment and dedication toward achieving the goals of United States-Saudi Arabian economic and technical cooperation.

The Joint Commission approved the issuance of its Annual Report, to be issued shortly in both Arabic and English. [14]

The Co-Chairmen agreed to hold the next Joint Commission meeting in Washington in 1984.

Document 310

Statement by the Department of State Acting Spokesman (Romberg), December 12, 1983 [15]

Bombing of the U.S. Embassy in Kuwait

Second, regarding the bombings in Kuwait, let me give you a rather extensive rundown of what we know, and it may also—just to caution you—pretty much exhaust current information.

At approximately 0630 Greenwich mean time, which was 9:30 a.m. local time today, a Mercedes truck crashed through the main gate of the American Embassy compound in Kuwait. The truck proceeded about 50 yards to an Embassy annex, where a large bomb was detonated. The explosion collapsed part of the annex building and caused extensive damage to the Chancery and to other buildings in the compound.

Information on casualties is still incomplete. Initial reports indicate that four persons were killed and 37 injured; two persons are missing. Two of the dead have been identified as foreign nationals who were working in the Embassy's maintenance section. The two other fatalities have not been identified. Of the 37 people injured, 20 were foreign service nationals; the other 17 were visitors to the Embassy or private contractors. Some of the foreign service nationals injured are in serious condition.

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[13] For text of the Joint Statement establishing the U.S.-Saudi Arabian Joint Commission on Economic Cooperation, signed in Washington on June 8, 1974, see Department of State *Bulletin*, July 1, 1974, p. 10.

[14] Printed as Department of the Treasury, *1983 Annual Report: Saudi Arabian-U.S. Joint Commission on Economic Cooperation* (Washington, 1984).

[15] Source: Office of Press Relations, Department of State. Alan Romberg made the statement at the Department of State Daily Press Briefing, which began at 12:24 p.m.

All Americans are accounted for, and, although some American employees suffered minor injuries, none was hospitalized. Efforts to clear the debris are continuing.

We have received reports of other bombings in Kuwait. Information is fragmentary, although the targets included the French Embassy and the Kuwait Airport's control tower. Another location was reportedly near the SAS Hotel and the adjoining offices of the Raytheon Corporation. The extent of casualties and damage is unknown.

Any more specific information would need to come from Kuwaiti Government authorities.

We deplore all of the attacks in the strongest terms. They will not deter us from pursuing a steady policy in the Middle East.

As to responsibility, we have seen media reports that a group calling itself the "Islamic Jihad" has claimed responsibility for the attack. We have no independent confirmation of these reports. An organization calling itself the Islamic Jihad, among other organizations, claimed responsibility for the bombings in Beirut. We have no idea whether they are related.

As to prior warnings, there was no prior warning of this attack. The Embassy has in the past received several security threats and has tried to take appropriate security precautions, especially in the wake of the recent bombings in Beirut.[16] Obviously, though, embassies by their nature must be accessible to the public and cannot be made into armed fortresses. This limits the type of protective measures that can be taken.

On some specifics, there are about 3,000 U.S. citizens in Kuwait. There are some 65 Americans assigned to the Embassy, with about 237 dependents.

I should note that the Kuwaiti Deputy Prime Minister and Foreign Minister Shaykh Sabah al-Ahmad al Sabah, came to the Embassy compound shortly after the blast to express condolences on behalf of the Emir of Kuwait, the Crown Prince and the Kuwaiti Government. The Foreign Minister offered to the Embassy his government's complete cooperation and assistance. The Kuwaiti Ambassador to the United States, Shaykh Saud Nasir al-Sabah, who has been in Kuwait on consultations, also went to the Embassy to offer his condolences and assistance.

The State Department is monitoring the situation very closely. Because of the uncertainty of this situation in Kuwait at this time, we recommend that nonessential travel be deferred for a few days until we have a clearer reading of the situation as it would affect the safety of Americans.

[16] The U.S. Embassy in Beirut was bombed on April 18, 1983.

E. Egypt

Document 311

Statements by President Reagan and Egyptian President Mubarak, January 27, 1983 [1]

Visit of President Mubarak

THE PRESIDENT. President Mubarak and I have just had a comprehensive and a useful discussion first in our office and then over lunch. And, as might be expected, given our full partnership in search for regional peace and security that—with broad agreement on the critical issues facing us in the Middle East and in Africa.

We reviewed the situation in Lebanon and I assured President Mubarak of my determination to support the territorial integrity, the independence and the sovereignty of Lebanon to the end. And to that end, there must be early withdrawal of all foreign forces.

[1] Source: White House Press Release, January 27, 1983. Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, January 31, 1983, pp. 125–126. Presidents Reagan and Mubarak made their remarks to reporters at the South Portico of the White House at 1:28 p.m., following a meeting in the Oval Office. President Mubarak's official working visit to Washington lasted from January 26 to 31, 1983.

We also discussed the urgent need to achieve a comprehensive peace settlement for the Middle East, which would permit all the states in the region to live in peace while meeting the legitimate rights of the Palestinian people.

In that regard, I thanked President Mubarak for his support of my September peace initiative and promise to work closely with him to expand the peace process.

On Africa, I reaffirmed our support for Egypt's constructive efforts as the leading African power to promote the stability and development of African countries and institutions.

On the bilateral questions, I reiterated the importance of our economic and military assistance for Egypt and assured the President that our assistance will compliment his economic policy and development priorities.

Specifically, we wish to support the priorities of the new Egyptian Five-Year Plan with emphasis on the increasing agriculture and industrial productivity and the rehabilitation and expansion of the water and related disposal systems in Egypt's major urban centers.

In response to President Mubarak's request for more flexible economic assistance, our ministries will work together to find ways and means for rapidly dispersing such assistance.

We also will explore with the Congress the ways to permit some reprogramming of funds to high priority areas.

President Mubarak's visit, the second since he was elected to office, emphasizes the special nature of our relations with Egypt and the importance I assign his friendship and wise counsel.

Our two countries share a common dedication to building in the Middle East something that is peaceful and prosperous and secure from outside intervention.

The Egyptian-American full partnership has accomplished much toward the realization of that ideal. We will continue to build on our record of accomplishment. And I look forward to working with our friend, my friend, President Mubarak, toward that end.

And welcome to our country once again.

PRESIDENT MUBARAK. Thank you, Mr. President.

I was very pleased to meet again with my friend, President Reagan, and to pursue our discussions of issues of mutual concern.

As the President just stated, we had an opportunity to review the situation in the Middle East with a view of enhancing the prospects for peace and stability in that troubled region.

We focused on the situation in Lebanon and the negotiations on the Palestinian question. I welcomed President Reagan's assurances of the U.S. determination to continue to play the role of the full partner in the peace process.

I also welcomed his reaffirmation of the U.S. commitment to support the territorial integrity, independence and sovereignty of Lebanon.

The time factor is crucial to the success of our endeavors. Top priority must be given to reaching agreement on the withdrawal of Israeli forces. Upon achieving that, other aspects of the problem would be easier to solve.

We have always seen the necessity to make meaningful progress towards a comprehensive settlement. In this respect, the centrality of the Palestinian problem in the entire dispute becomes self-evident.

With this in mind, we supported President Reagan's initiative on September 1, 1982. We earnestly hope that the weeks ahead will witness movement towards the negotiating table by all the parties concerned.

I am pleased—that I was encouraged by what I heard from King Hussein of Jordan and the Palestinian leadership together with several other Arab leaders. I believe that a golden opportunity exists and it would be a grave mistake to miss it.

I also believe that the peace process would be enforced if the United States moves further in the direction of supporting the rights of the Palestinian people to self-determination.

We agreed that the Israeli settlement policy is a serious obstacle to peace. Therefore, efforts must be exerted to bring about a total freeze of settlement activities.

I discussed with the President certain aspects of the war between Iran and Iraq, and the need to exert additional efforts for the purpose of achieving an immediate termination of hostilities.

On bilateral matters, we discussed issues related to economic and military cooperation. I expressed to President Reagan our gratitude to the American people for their unwavering support. This will enhance our ability to cope with the economic problems we are confronting. The United States has proven it is a real and reliable friend. We are determined to deepen that friendship, and intensify our cooperation.

Thank you.

Document 312

Prepared Statement by the Assistant Secretary of State for Near Eastern and South Asian Affairs (Veliotes) Before a Subcommittee of the House Foreign Affairs Committee, March 3, 1983 [2]

Security Assistance to Egypt

I appreciate this opportunity to discuss with you the administration's security assistance proposals for Egypt. Before taking your questions, I would like to make a short statement.

Let me begin by briefly restating the foundations of U.S. policy toward Egypt. United States-Egyptian relations are based on a shared strategic interest in the stability of the Middle East and the surrounding region. The Egyptians, who have paid the heavy human and economic price of conflict, fully understand the advantages and benefits of peace. As a result they share with us a strategic commitment to the peaceful solution of the Arab-Israeli conflict, which is the fundamental problem facing the region. This commitment, first made and acted on by Sadat, has been reiterated by President Mubarak and remains a firm tenet of Egyptian foreign policy.

While a strong advocate of peace, Egypt, like the United States, understands the need to be able to deter those who would seek to destabilize the region or attempt to subvert friendly states in the area. The Mubarak government shares with us a concern about the threats to regional stability posed by the Soviets or their radical surrogates within the region. Our military cooperation stems from this shared concern and is a vital element in maintaining regional stability and in deterring aggression from within or outside the region.

The past year has seen a number of examples of the importance of close United States-Egyptian relations. We worked closely with Egypt and Israel to secure final Israeli withdrawal from the Sinai in implementation of the Egyptian-Israeli peace treaty. President Mubarak has been a strong supporter of the President's September 1 peace initiative and his backing has complemented our efforts to generate broader Arab support for an expanded peace process.

I would like briefly to review the status of Egypt's relations with Israel, since I know this is a subject of interest to the committee. Mr. Chairman, I note from your report on your very useful trip to the region last fall that you discussed this subject with President Mubarak. [3] I know that other congressional visitors to Egypt have done so as well. I would point out that President Mubarak's statements to the Congress, to this administration and, indeed, to the public are strikingly consistent on the subject of peace with Israel. President Mubarak's government is committed to a peaceful relationship with Israel in accordance with the treaty between them and to the pursuit of a broader peace in the Middle East.

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[2] Source: *Foreign Assistance Legislation for Fiscal Years 1984–85: Hearings and Markup Before the Subcommittee on Europe and the Middle East of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), Part 3, pp. 65–66.

[3] Representative Lee Hamilton, Chairman of the Subcommittee on Europe and the Middle East, led an eight-member congressional delegation that visited Egypt on November 10 and 11, 1982. See *The Unfinished Business of the Peace Process in the Middle East: Report of a Study Mission to Israel, Egypt, Jordan, Saudi Arabia, Lebanon, Syria, France, and England, November 6–20, 1982, Under the Auspices of the Subcommittee on Europe and the Middle East, Committee on Foreign Affairs, House of Representatives, Ninety-seventh Congress, Second Session* (Washington, 1983).

Despite Egypt's commitment to peace with Israel, it is fair to say that relations between the two countries have been strained by events in Lebanon. Egypt has recalled its Ambassador and has told the Israelis he will not return until there is an announced plan for Israeli withdrawal from Lebanon.[4] Israel, in turn, has complained to Egypt about media treatment of Israel and various trade problems. As you know, both states have circulated memoranda outlining complaints against the other.

We have discussed our concerns about these strains with both Governments. We have urged both to consider the importance of their relationship to the broader goal of regional peace and to be flexible in their dealings with one another. There is some evidence that these efforts, plus the desire of each state to maintain a positive relationship, may have begun to have some effect. Delegations from the two countries met March 2 to resume discussions on the Taba issue, which is the major outstanding issue remaining from the Sinai withdrawal. Talks on other issues of importance to the bilateral relationship are also scheduled to be held in the near future.

While progress on Lebanon is critical to the revitalization of Egyptian-Israeli relations, these direct bilateral talks are an important step in rebuilding a spirit of trust and confidence between the two states. The resumption of expanded peace negotiations, as foreseen in the President's September 1 initiative would, of course, be the strongest stimulus to improved Egyptian-Israeli relations.

Mr. Chairman, I would like to turn now to the administration's fiscal year 1984 security assistance request for Egypt. The President's request for Egypt has three components: A Public Law 480 title I program of $250 million; an ESF program of $750 million; and a FMS program of $1.3 billion, of which $450 million would be in forgiven credits. This request is an essential part of the President's efforts to promote peace and stability in the Middle East, and reflects the special relationship between Egypt and the United States. The individual parts of our budget request support Egyptian Government efforts to revitalize its economy and modernize its military.

Mr. Chairman, as your report on your recent visit to Egypt clearly noted, Egypt faces serious economic problems. While the economy is still growing, its rate of growth has slowed measurably and the indications are that this will continue. At the same time, foreign exchange earnings from tourism, the Suez Canal, oil exports and remittances from Egyptians working overseas are all down. The rapidly decreasing price of oil may contribute to further declines in three of these four areas.

The Mubarak Government recognizes Egypt's economic problems. President Mubarak has graphically outlined these problems for the Egyptian people, speaking more frankly than any modern Egyptian head of state. President Mubarak understands that change is needed if Egypt is successfully to rebuild its economy and achieve a better life for its people. Change, of course, means economic reform. The Mubarak Government is implementing reforms, although not always at the pace that we and others might think best. But unlike the past, the issue is no longer whether reforms are needed, but rather the pace at which they are to be implemented.

Our military assistance program for Egypt is designed to help the Mubarak Government modernize its military establishment, which is still largely equipped with aging Soviet equipment. Egypt needs a credible military force to deter the direct threats to itself from radical states in the region and to help support others from aggression. Our military assistance and training programs are critical parts of the Mubarak Government's efforts to maintain a credible military force. Given Egypt's economic problems, however, we have sought to package this assistance so it will have the lowest possible cost for Egypt.

In closing, let me reiterate the special nature of our relationship with Egypt, which has its roots in shared strategic interests and a common dedication to the pursuit of regional peace. Both the economic and military components of our security assistance program are designed to strengthen that relationship and thereby serve vital U.S. interests in the Middle East. The Mubarak Government sees this assistance as a tangible demonstration of

[4] Egypt recalled Ambassador Saad Mortada from Tel Aviv on September 20, 1982, following the massacre of Palestinians in the Sabra and Shatila refugee camps. The Egyptian Government later linked Mortada's return to an Israeli commitment to withdraw from Lebanon.

U.S. support and as a key component of its own efforts to deal with its economic problems and to rebuild its military strength. In short, this assistance is an investment in support of not only a key Middle Eastern ally, but regional peace and stability as well.

I would be happy to respond to any questions or comments you might have.

Document 313

Transcript of a White House Press Briefing, September 29, 1983 (Extracts) [5]

President Mubarak's Second Visit

SENIOR ADMINISTRATION OFFICIAL. I will make a few comments about the visit of President Mubarak and then take questions.

This is President Mubarak's second visit this year and the third since he assumed office. We believe that these visits are a mark of our special relationship with Egypt.

President Mubarak will be in Washington from the evening of September 29 until the evening of October 3. The principal purpose of President Mubarak's visit to the United States was to participate in the United Nations General Assembly. I believe he addressed the Assembly yesterday.

President Reagan invited him to Washington to renew their continuing dialog on regional and bilateral issues.

In addition to his meeting and lunch with the President, President Mubarak will meet with the Vice President, the Acting Secretary of Defense, the Acting Secretary of State, the Secretaries of the Treasury and Commerce, the U.S. Special Trade Representative, the Administrator of AID, and the House and Senate leadership. Secretary Shultz met with President Mubarak in New York yesterday.

The principal regional issues for discussion will be Lebanon and the Middle East peace process. The United States and Egypt share views on what is needed to resolve the problems in Lebanon, beyond the cease-fire: Political reconciliation, support for the central government, and the withdrawal of all foreign forces.

We would expect the President to express his appreciation to President Mubarak for Egypt's support of Ambassador McFarlane's efforts in Lebanon. The Egyptians have been quite visible in envoys who are being sent back and forth as well as their public statements. And they will exchange views on the situation there as we look to the future.

On the peace process, the Egyptians support Camp David, of course, which they are one of the originators, and the President's initiative of September 1. They will undoubtedly discuss these issues: The need to look beyond the current Lebanese problems to the broader problems of peace and stability in the area and discuss the Palestinian problem in that context. Obviously, the President will note the importance of Egyptian-Israeli relations in the peace process and will undoubtedly indicate our continuing desire and willingness to help each state take steps to improve that relationship.

Bilateral issues will also be discussed, as well as other regional issues. I am sure we'll discuss the Iran–Iraq war, problems of North Africa. Bilateral issues we will discuss are aid programs and military cooperation.

Let me leave it at that and take your questions.

Q. Are there concerns by the U.S. Government about Egypt's purchase of weaponry from the Soviet bloc countries; Romania, for example?

SENIOR ADMINISTRATION OFFICIAL. Not concerns. These are decisions to be made by sovereign countries. Egypt has made clear that it looks to the United States as the primary supplier for replacing those, not one for one, but replacing the obsolescent Soviet equipment in its inventory and modernizing its armed forces.

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[5] Source: White House Press Release, September 29, 1983, Office of the Press Secretary to the President. The briefing was conducted on background by a senior administration official in the Briefing Room of the White House, beginning at 11:08 a.m. President Mubarak made an official working visit to Washington, September 29–October 3, 1983.

Q. The U.S. Government has no problems with sales?

SENIOR ADMINISTRATION OFFICIAL. It's not really a U.S. Government issue. If the Egyptians are interested in purchasing arms from a country, I suppose they will.

Q. Yes, but if we are giving them a great many credits and aid, et cetera, and they are using that particular financing to buy weapons from East bloc countries—

SENIOR ADMINISTRATION OFFICIAL. Well, they are not doing that. All of our financing really is tied to U.S. procurement. We have I think a 5-year program we have agreed to with President Sadat and reiterated by the Mubarak government. That includes the Egyptians. We are not now and do not expect in the future to be the exclusive source of arms, although the Egyptians have made clear they would like us to be their primary source of arms. I believe they also have some purchases from France and other places.

. . . . . .

Q. Is the administration at this point eager to push Mubarak toward restoring better relations towards Israel, such as sending back the Ambassador and that sort of thing?

SENIOR ADMINISTRATION OFFICIAL. Well, as I said in my opening remarks, as the good fathers of the Egyptian-Israeli Treaty, we believe we have a special and continuing responsibility for seeing to it that the relationship between these two good friends of the United States is as good as possible. With respect to the Egyptian Ambassador, our view on that is simple: The sooner he goes back, the better. Again, our view here is well known.

As far as the question of relations, I don't want to get into picking sides on this because both sides can make a very effective case on blaming the other side for problems. However, I don't think that we should lose sight of the essential fact. The Israeli-Egyptian Treaty is in place and being respected. The Sinai Peacekeeping Force is operating effectively. There have been nickel and dime types of complaints from both sides. And the Treaty withstood a significant strain. We have been into this before over events in Lebanon. So I just ask that everyone keep in perspective the fact that we have a treaty. It is a treaty which continues to form the basis of this country's peace and security policies in that area. And it is one on which we are seeking to build.

. . . . . .

Q. Do you expect the two Presidents to talk about any further American weapons going to Egypt or new bases we might get over there?

SENIOR ADMINISTRATION OFFICIAL. Well, we don't have bases.

Q. Their bases. We don't have our name on them, though.

SENIOR ADMINISTRATION OFFICIAL. No, they are not bases at all. What we have is the Egyptians, through our strategic relationship, shared goals, allowing us to use their facilities on a case-by-case basis under the terms of the agreements which were entered into with President Sadat and reiterated by the Mubarak government. That includes such things as Ras Banas. They will probably talk about that. The Egyptians and we are in the process of a joint funding of a modest facility on the Red Sea which would, if it goes through—and we hope it does, because it's important to CENTCOM, and, we think, to the credibility of the American deterrent in that area, whereby we would jointly finance construction of some facilities.

Q. Do you think we need any more facilities than we already have, or not?

SENIOR ADMINISTRATION OFFICIAL. I don't think we need anything else in Egypt. We have, as you know, a number of agreements with countries in the area where we have access on an emergency basis.

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Document 314

Statements by President Reagan and Egyptian President Mubarak, September 30, 1983 [6]

The State of U.S. Relations With Egypt

THE PRESIDENT. President Mubarak and I have concluded another of our regular consultations on regional and bilateral issues. Our discussions were warm and frank, as discussions between good and trusting friends should be. They strengthen our sense of common purpose in working for regional peace and security.

There was basic agreement on the critical issues that our nations face in the Middle East and Africa. We discussed the urgent need to achieve a just and comprehensive peace for the Middle East which would permit the nations there, all the states in the region, to live in peace while safeguarding the legitimate rights of the Palestinian people. In that regard, I reiterated by commitment to the peace initiative we announced a little more than a year ago and my desire to work closely with President Mubarak to bring the parties to negotiation. Our policy remains firmly based on U.N. Security Council Resolutions 242 and 338 and the Camp David accords. We reviewed the situation in Lebanon, and I thank the President for Egypt's support for Ambassador McFarlane's efforts to produce a settlement there, and assured him of my determination to support the territorial integrity, sovereignty and independence of Lebanon. To that end, there must be an enduring cease-fire, political reconciliation and the prompt withdrawal of all foreign forces.

In discussing Africa, we agreed on the need to support nations such as Chad which are subject to external threat.

On bilateral questions, I reiterated the information—or the importance I attach to our continued assistance to Egypt and to our strategic cooperation. I've assured the President that our assistance will be responsive to Egypt's needs. And I also reviewed steps we've taken to increase the flexibility of our economic assistance so that it can support President Mubarak's efforts to reform the Egyptian economy. We agreed that we should continue our dialogue on economic issues.

President Mubarak's visit, the third since he was elected to office, highlights the special nature of our relationship with Egypt and the importance that I attach to his personal friendship and wise counsel.

Our two countries share a common dedication to building a Middle East that is peaceful, prosperous and secure from outside intervention. The Egyptian-American partnership has already produced significant results, and we'll continue to build on our record of accomplishment.

Mr. President, it's a pleasure again, as always, to have you here.

PRESIDENT MUBARAK. Thank you. It's a real pleasure for me to meet again with my friend President Reagan and discuss with him several issues of common concern.

As we share the commitment to the cause of peace, we focus on the situation in the Middle East. We both rejoice in the cease-fire agreement recently reached in Lebanon. The cease-fire must continue so that efforts to bring about national reconciliation in Lebanon be given the chance to succeed—and succeed they must. Lebanon has seen much bloodshed and destruction, and it deserves a lasting peace and stability and the real opportunity to reconstruct the country. The key to our breakthrough is the complete withdrawal of Israeli and other foreign forces. The authority of the Lebanese leadership over the entire country must be consolidated. Short of this, the situation would remain tense and explosive.

At the same time, we must not neglect the Palestinian problem. In this regard, I welcome President Reagan's assurances that he remains committed to the peace initiative of the first of September 1982. The time has come to reactivate this initiative with a view to secure the participation of Jordan and the representatives of the Palestinian people in the negotiations. I am confident that through negotiations

[6] Source: White House Press Release, September 30, 1983. Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, October 3, 1983, pp. 1363–1365. Presidents Reagan and Mubarak delivered their remarks in the East Room of the White House at 1:15 p.m., following a meeting in the Oval Office.

Palestinian legitimate rights will be fully recognized, and peace between Israel and all her Arab neighbors will emerge, assuring for each the right to live within secure and recognized borders and thus allowing the region to devote its energies to development and progress.

President Reagan and I have also agreed on the necessity to put an end to the war between Iran and Iraq immediately. The promulgation of the meaningless war is detrimental to the interests of all nations. We call upon Iran to respond positively to Iraq's offer of terminating the war and entering into peace negotiations without preconditions.

We also discussed current African problems. We fully support the Government of Chad and uphold the presence of foreign occupation forces there. The territorial integrity of Chad must be preserved. We support the efforts of the Organization of African Unity in this regard.

On bilateral matters, President Reagan and I are fully satisfied with our cooperation in all fields. We share the determination to bolster our fraternal ties and cement our friendship each day.

As always, I have found President Reagan most gracious and responsive. I thank him and the American people for their understanding and constructive spirit. Thank you.

F. Iran and Iraq

Document 315

Remarks by the Secretary of State (Shultz), Dallas, April 15, 1983 (Extract) [1]

U.S. Concern Over the Iran–Iraq War

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MR. COOPER. Here's a three-part question. What do you expect will happen regarding the Iran–Iraq conflict? What is the impact on Gulf stability and the possible U.S. policy position thereof?

SECRETARY SHULTZ. It's a serious conflict. The U.S. position is that we think that they ought to stop fighting and settle their disputes. Our ability to influence that dispute is quite limited because we don't have any real relationship with Iran. We do have a relationship with Iraq, but it is not a deep and strong one so our ability to influence the outcome is quite limited. But we do support U.N. resolutions in this regard, and we support efforts made by others who have more access to the parties in their efforts to bring it to a conclusion.

I might say that the conflict is of tremendous concern, and understandably so, to the other Gulf states. Partly their concern about, in a sense, the export of a kind of revolutionary fervor that can be destabilizing to them, and then more recently in a very physical sense, the fact that you have a major oil well flowing continously. It is polluting the Gulf, and polluting it very badly, and it isn't as though you've got an oil slick out there and how are you going to clean up that slick. It's continually being produced and expanded, and it hasn't been possible to work out a sort of cease-fire or temporary truce or zone of truce that will enable people to go in and cap the well and deal with that slick.

The slick is getting so large that it is becoming a real threat to the region, to the natural fish life, and the desalinization plants are having to be shut down, and so on, so it's a genuine threat.

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[1] Source: Department of State Press Release 109A, April 20, 1983, printed also in Department of State *Bulletin*, June 1983, pp. 13–14. For the full text, see *ibid.*, pp. 13–16. Secretary Shultz made his remarks during a question-and-answer session following his address before the Dallas World Affairs Council and Chamber of Commerce.

Document 316

Message by President Reagan, May 22, 1983 [2]

Persecution and Repression of the Baha'i's in Iran

America and the world are increasingly alarmed and dismayed at the persecution and severe repression of the Baha'i's in Iran. Recently we have learned that the Government of Iran has sentenced 22 prominent members of the Baha'i faith to death. This is in addition to the more than 130 who have been killed since the beginning of the revolution in Iran, including one man executed January 1, 1983, and three hanged in Shiraz on March 12, 1983.

These individuals are not guilty of any political offense or crime, they have not plotted the overthrow of the regime, and they are not responsible for the deaths of anyone. They only wish to live according to the dictates of their own consciences. I strongly urge other world leaders to join me in an appeal to the Ayatollah Khomeini and the rest of Iran's leadership not to implement the sentences that have been pronounced on these innocent people. Sparing their lives would be a step forward for Iran and the world community.

Document 317

Transcript of the Department of State Daily Press Briefing, September 18, 1983 (Extract) [3]

U.S. Concern With Freedom of Navigation in the Gulf

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Q. One more: the Gulf. Do you have any reaction to Iran's latest threat to restrict shipping in the Gulf for any country that provides port facilities for weapons going to Iraq?

A. Yes, I do. As we've said on previous occasions, the United States deplores continuation and extension of the fighting between Iran and Iraq and urges the parties to agree to a cease-fire and negotiate their differences. We would view with grave concern attempts by any party to interfere with the right of passage of nonbelligerent ships through international waters.

The principle of freedom of navigation in the Gulf is, we believe, an important interest of the international community. If this principle should be challenged, apart from whatever action we may deem it in the United States interest to take, we would consult urgently with those states most directly concerned—both in the region and in the wider international community.

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Document 318

Statement by President Reagan, November 4, 1983 [4]

Continuation of a National Emergency With Respect to Iran

On November 14, 1979, by Executive Order No. 12170, [5] the President declared a national emergency to deal with the threat to the national security, foreign policy and economy of the United States constituted by the situation in Iran. Notices of the continuation of the national

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[2] Source: *Weekly Compilation of Presidential Documents*, May 30, 1983, p. 762.

[3] Source: Office of Press Relations, Department of State. Department of State Acting Spokesman Alan Romberg conducted the briefing, which began at 12:15 p.m.

[4] Source: White House Press Release, November 4, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, November 7, 1983, p. 1524.

[5] Printed in *American Foreign Policy: Basic Documents, 1977–1980*, pp. 739–740.

emergency were transmitted by the President to the Congress and the *Federal Register* on November 12, 1980, November 12, 1981, and November 8, 1982.[6] Because our relations with Iran have not yet been normalized and the process of implementing the January 19, 1981 agreements with Iran is still underway, the national emergency declared November 14, 1979 must continue in effect beyond November 14, 1983. Therefore, pursuant to section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)),[7] I am so continuing the national emergency with respect to Iran declared on November 14, 1979. This notice shall be published in the *Federal Register* and transmitted to the Congress.

Document 319

Message to the Congress by President Reagan, November 4, 1983[8]

Report on the Iran–U.S. Claims Tribunal

Pursuant to Section 204(c) of the International Emergency Economic Powers Act (IEEPA),[9] 50 U.S.C. Section 1703(c), I hereby report to the Congress with respect to developments between my last report of May 2, 1983, and mid-October 1983, concerning the national emergency with respect to Iran that was declared in Executive Order No. 12170 of November 14, 1979.

1. The Iran-United States Claims Tribunal, established at The Hague pursuant to the Claims Settlement Agreement of January 19, 1981,[10] continues to make progress in arbitrating the claims of U.S. nationals against Iran. Since my last report, the Tribunal has rendered 42 more decisions for a total of 82 final decisions. Sixty-two of these decisions have been in favor of American claimants. Forty-two were awards on agreed terms, authorizing and approving payment of settlements negotiated by the parties and 20 were adjudicated. Total payments to successful American claimants from the Security Account stood at just under $88 million, as of October 1. Of the remaining 20 decisions, 12 dismissed claims for lack of jurisdiction, seven dismissed claims on the merits and one approved withdrawal of a claim. As of October 1, the Tribunal had held 111 prehearing conferences and 68 hearings on the merits and scheduled another eight prehearings and nine hearings through mid-November. In addition, two full Tribunal sessions of five days each were scheduled for October and early November.

2. The Department of State continues to coordinate the efforts of the concerned government agencies in presenting U.S. claims against Iran, as well as U.S. responses to claims brought by Iran. The Department has devoted a great deal of time to responding to cases brought by Iran under Articles II(3) and VI(4) of the Claims Settlement Agreement, which establish Tribunal jurisdiction over questions of interpretation and implementation of the Algiers Accords. In the last six months, the United States has replied to all of the allegations raised by Iran in a major interpretive dispute concerning the United States' implementation of the Algiers Accords. The Tribunal has scheduled eight prehearing conferences or hearings on these issues. In addition, Iran has filed three more interpretive disputes requesting clarification of: the Tribunal's jurisdiction over dual national claims; its authority to grant interest on awards; and the criteria for determining corporate nationality. Each of these questions had previously been decided by the Tribunal or a chamber thereof. The United States has filed replies in these three cases.

3. Since my last report, there has been further activity in resolving the government-to-government claims based on contracts for the provision of goods or services. Of the 64 claims filed by Iran aga

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[6] See *Weekly Compilation of Presidential Documents*, November 17, 1980, p. 2714, November 16, 1981, pp. 1249–1250, and November 15, 1982, pp. 1447–1448.

[7] 90 Stat. 1257.

[8] Source: White House Press Release, November 4, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, November 7, 1983, pp. 1524–1526.

[9] 91 Stat. 1627.

[10] The Claims Settlement Agreement was one of four Hostage Release Agreements (also known as the Algiers Accords), initialed by representatives of the United States and Iran in Algiers on January 19, 1981. For texts, see *Amer-*

can Foreign Policy: Current Documents, 1981, 419–427.

the United States, nine have been withdrawn or terminated and one has resulted in an award on agreed terms. The Tribunal has received pleadings from both sides in the remaining cases and in almost all of the 18 claims which the United States filed against Iran. Since, in many instances, the Tribunal has announced its intention to decide the official claims on the pleadings, only one prehearing conference and one hearing have been scheduled.

4. Since my last report, the Tribunal has rendered a number of significant decisions. In at least six instances, Iran has filed suit in Iranian courts against claimants at the Tribunal on issues similar to those before the Tribunal. In each case, the Tribunal has requested Iran to stay the Iranian court proceedings in Iran until the Tribunal has had a chance to determine its jurisdiction over the claims. Iran, however, has yet to comply with any of these requests. On other matters, the Tribunal has found a contract to exist between a United States claimant and Iran in the absence of a formal written document, and it continues to award successful claimants interest on their awards. The Tribunal has begun to enforce more vigorously its filing deadlines, rejecting a number of Iranian counterclaims on the grounds that they were filed too late and refusing to consider pleadings filed after the established deadline.

5. In the last six months, the United States has proposed to the Tribunal that it adopt a test case approach in arbitrating the 2,742 remaining claims for less than $250,000 each. The United States has categorized all these claims according to the type of loss involved. Under this approach, the Tribunal would select a few cases in each category for a full hearing. Based on the decisions in each category, claims experts would then arbitrate the remaining cases in each category, subject to Tribunal ratification of their decisions.

6. In the period since my last report, there have been several changes in the Tribunal's composition. The resignation of Judge Pierre Bellet, one of the three third-party arbitrators, became effective on August 1. Because the six party-appointed arbitrators were not able to agree on a successor, the Appointing Authority, previously designated by the Secretary General of the Permanent Court of Arbitration in The Hague, appointed Professor Willem Riphagen of the Netherlands to replace Judge Bellet. Professor Riphagen, a former legal adviser to the Netherlands Ministry of Foreign Affairs, was a professor of international law at the University of Rotterdam. He has served as an *ad hoc* judge on the International Court of Justice, has presided over an arbitration between the United States and France, and has acted as Special Rapporteur for the International Law Commission.

7. On September 5, the Tribunal accepted the resignation of M. Jahangir Sani, one of the Iranian-appointed arbitrators, effective upon the availability of a successor. On September 14, Iran announced that it was appointing Parviz Ansari Moin to replace Mr. Sani. Mr. Ansari has worked in the Iranian Ministry of Justice for approximately ten years.

8. The Algiers Accords also provided for direct negotiations between U.S. banks and Bank Markazi Iran concerning the payment of nonsyndicated debt claims of U.S. banks against Iran from the escrow account established at the Bank of England in January 1981 with the deposit of $1.418 billion. Significant progress has been made in the past six months in settling these claims. As of mid-October, 24 settlements, totaling approximately $919 million, had been reached. From the $919 million paid to U.S. banks, the banks paid $327 million to Iran in settlement of Iran's claims against them, primarily for interest on domestic deposits. The Export-Import Bank received $419 million. About 25 bank claims remain outstanding.

9. During the past six months, the Department of State has begun to renovate and prepare for rental diplomatic and consular properties of Iran in the United States. In the absence of diplomatic relations between the United States and Iran, these properties have remained vacant and in many instances have deteriorated. To preserve them and to generate income for their upkeep, the Department of State, pursuant to a license granted in September by the Department of the Treasury, will sell moveable property left in or around Iranian premises following the break in diplomatic relations with Iran on April 7, 1980.

10. The Treasury Department's Office of Foreign Assets Control has established procedures authorizing the sale of blocked Iranian property in the United States and the eventual disposition of the proceeds of such sales. Much of this property is tangi-

ble property, including property which has not been authorized to be exported from the United States because of its potential military applications. In the six-month period preceding this report, three sales of such tangible property have been licensed. No sales had taken place as of mid-October. Several direct settlements of disputes between holders of such tangible property and Iran have occurred recently.

11. Despite the progress made by the Tribunal in the past six months, significant American interests remain unresolved. Iran has challenged five of the Tribunal's awards in the District Court of The Hague, seeking to invalidate them. Thus, financial and diplomatic aspects of the relationship with Iran continue to present an unusual challenge to the national security and foreign policy of the United States. By separate action of this date, I am extending the emergency with respect to Iran beyond the November 14, 1983 anniversary.[11] I shall continue to exercise the powers at my disposal to deal with these problems and will continue to report periodically to the Congress on significant developments.

Document 320

Statement by the Assistant Secretary of State for Near Eastern and South Asian Affairs (Murphy) Before a Subcommittee of the House Foreign Affairs Committee, November 14, 1983 (Extract)[12]

Escalation and the Security of the Persian Gulf Region

. . . . . .

Another issue of war and peace in the Middle East that greatly concerns the United States is the war between Iran and Iraq. For many, this seems a remote and distant conflict, but it demands the attention of the entire international community. It has inflicted a cruel toll in lives and suffering. And it continues to threaten the security of the entire Persian Gulf region, an area of vital importance to the world economy.

Since the beginning of this war, we have called for an immediate cease-fire and a negotiated settlement to protect the independence and territorial integrity of both countries, reached without interference in their internal affairs. We deplore the continuation of this senseless war and the harm it has caused to both Iran and Iraq. There is no victor in this conflict, since both Iran and Iraq retain the capacity to do great damage to each other. Dreams of military victory or overthrow of governments are futile. Only a negotiated settlement that protects the basic interests of both countries can rescue them from this continuing disaster.

We also deplore the threats of both belligerents to escalate the war in the Gulf. Such a reckless course, by either Iran or Iraq, could be ruinous to both sides. It could also threaten the safety of other Gulf States. And it could endanger freedom of navigation and access to oil in the Gulf which is essential to the economic wellbeing of scores of nations, both industrialized and developing.

The United States welcomed the recent adoption of U.N. Security Council Resolution 540, which called for an end to hostilities in the Gulf, acknowledged the high cost of civilian casualties and damage in the war, and called for renewed efforts toward peace.[13] We have also reaffirmed, and put all parties on notice of, our strong commitment to the right of free navigation in international waters.

Mr. Chairman, many of the world's people continue to look to the United States as a defender of peace and freedom. I can assure you from my experience in the Middle East and my travels there in recent months that most of the states of that region continue to look to us for leadership. This is a time of trial, in Leba-

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[11] *Supra.*

[12] Source: *Developments in the Middle East, November 1983: Hearing and Markup Before the Subcommittee on Europe and the Middle East of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1984), pp. 4–5.

[13] On October 31, 1983, the U.N. Security Council adopted Resolution 540 by a vote of 12 to 0, with 3 abstentions. The United States voted for this resolution. For text, see U.N. document S/RES/540 (1983).

non where so many of our marines have given their lives, and elsewhere in the region where the forces of rejection and violence continue to oppose peace and accommodation. We must respond with leadership, strength, and patience, as we have in the past.

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G. Israel

Document 321

Statement by the Assistant Secretary of State for Near Eastern and South Asian Affairs (Veliotes) Before a Subcommittee of the House Foreign Affairs Committee, February 28, 1983 [1]

U.S. Assistance to Israel

I am very pleased to be here again today to testify in support of our military and economic assistance programs for Israel for fiscal year 1984. The administration is proposing a funding level of $1.7 billion in foreign military sales financing and $785 million in economic support funding.

The overall level of $2.485 billion in combined military and economic assistance for Israel would be the largest U.S. bilateral assistance program.

Mr. Chairman, [2] much of what we have to say will not be new to the subcommittee. For example, a year ago this subcommittee was told: "We are in the midst of an extremely tense period affecting not only Israel, but the entire region," and, "The presentation and examination of our foreign assistance proposals are taking place at a particularly sensitive juncture in Israel itself." [3] These views are current today.

However, specific events and immediate problems have changed. The events of the last year, as momentous and even tragic as they may have been have not changed some fundamental realities of the region with which we deal. Among those are the urgency of the need for peace, the need to support the sovereignty, territorial integrity, and unity of Lebanon, the prime importance of assuring for Israel the security it requires and the necessity of addressing the legitimate aspirations of the Palestinian people.

This is, therefore, an appropriate time to discuss the role of our assistance programs in Israel and how they fit into our larger strategy in the region.

Support for Israel's security and economic well-being is a basic firm principle of American foreign policy.

Our support for Israel grows out of a longstanding commitment to a free nation which has been a haven for immigrants from all over the world and which shares many of our own social and democratic traditions.

Our programs are designed to assist Israel in continuing to maintain its qualitative and technological superiority over any potential combination of regional forces. Our economic assistance helps Israel to finance balance-of-payments deficits. Taken in combination, our programs are the material manifestation of our traditional commitment to Israel.

While it should be clear that the security of Israel occupies a central role in our concerns and policies, our objectives in the Middle East continue to be focused on two mutually reinforcing goals.

First, the search for a just and lasting peace in the region and the second, the assurance that our friends in the area will be able to maintain their security against both outside threats as well as radical forces closer to home.

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[1] Source: *Foreign Assistance Legislation for Fiscal Years 1984–85: Hearings and Markup Before the Subcommittee on Europe and the Middle East of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), Part 3, pp. 2–5.

[2] Representative Lee H. Hamilton, Chairman of the Subcommittee on Europe and the Middle East.

[3] Morris Draper, then Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs, made these remarks before a subcommittee of the House Foreign Affairs Committee on March 23, 1982. See *American Foreign Policy: Current Documents, 1982*, p. 791.

Our pursuit of this overall objective requires that we maintain and strengthen our relations with other friendly moderate states in the region as well. The relations which we maintain with the states of the Middle East are obviously critical to our ability to achieve those objectives which we believe are shared by Israel.

The President and Secretary Shultz have made crystal clear on many occasions in the past few months (a) our firm determination to continue the search for peace begun at Camp David and renewed in the President's September 1 initiative; (b) our commitment to achieve complete withdrawal of foreign troops from Lebanon which will help to return stability to that strife-torn country and will also help to insure the security of Israel's northern border; and (c) our fundamental perception that a lasting peace achieved through direct negotiations is the best guarantee of long-term security for Israel and its neighbors.

The administration has highlighted that its basic policies toward the Arab-Israeli problem are based on the positive benefits accruing to all parties, including to the interests of the United States, from the resolution of these issues. We have, through many difficult months, continued a pattern of constant movement forward and meaningful consultations toward the objectives we all share both in Lebanon and with respect to a broader Middle East peace. These basic tenets guide our approach, and the assistance programs you will be considering in the coming weeks are a part of this effort.

With these general objectives in mind let me turn to the specifics of our proposal for Israel.

We have proposed that a total of $1.7 billion in military assistance be provided to Israel. The bulk of this funding would be used for progress payments on prior year purchases and to initiate purchases of artillery, missiles, APC's, and aircraft from the United States.

Our proposal includes an increase in the grant portion of that assistance from $500 million—our proposal last year—to $550 million with the remaining $1.15 billion to be provided in the form of a 30-year loan carrying a slightly concessional rate of interest.

The modest increase in grant funding we propose is motivated by our understanding of Israeli concerns over their debt burden coupled with our own analysis of that situation and our own budgetary constraints.

We are proposing a level of $785 million in ESF, identical to the level of the past several years. The program is a cash transfer, and we propose this year that the entire sum be provided as a grant. Our decision to improve the terms of our proposal for ESF from the one-third loan/two-thirds grant ratio we have proposed in the past was motivated both by the reality of the fact that ESF assistance has been provided to Israel on a grant basis for the last 3 fiscal years and by the slight downturn in Israel's export performance during the last year. This decline is a function of both the continued economic problems from which we and Western Europe are suffering, as well as the Government of Israel's domestic economic policies. Despite some difficulties, however, preliminary indications are that capital inflows to Israel during 1982 continued to exceed financing requirements as official foreign exchange reserves exceeded their levels for 1981.

We continue to have strong confidence in Israel's economic potential. The levels and terms we have proposed for our assistance to Israel for fiscal year 1984 should be more than sufficient to meet the objectives of our program.

Israel's growing debt repayments to the United States have been a major source of concern to many Israeli officials and to members of this committee. A careful examination of the situation, however, reveals that Israeli debt—and particularly the debt service burden associated with that debt—will be manageable given sound Israeli policies and an expected modest return to growth in the world economy.

Our review of our proposals obviously had to take into account our own budget stringencies. In reaching our conclusions, we weigh all factors to achieve a balance. In the real world of budget ceilings, increases in assistance, particularly grant assistance for one country mean that funds will be unavailable to achieve other objectives.

Under our proposals Israel will continue to receive funds—both grant and credit—which are ample to meet our policy objectives in support of the State of Israel.

In addition, we would call attention to our request for $15 million in economic support funds for fiscal year 1984 for regional programs. And $7 million of these moneys will go toward sustaining our development efforts in the West Bank and Gaza. These programs are implemented through American voluntary agencies and address needs in such areas as vocational and higher education, community development, improved water storage, and agricultural cooperative marketing. The program has proved useful as an indication of our humanitarian concerns for the peoples of these regions and we would urge its funding at the level proposed.

An additional $7 million of the regional funds would finance cooperative scientific, technical and other activities of mutual interest to Israel and its Arab neighbors. The remaining $1 million is requested for project development and support activities relating to the development of ESF country programs.

Document 322

Transcript of the Department of State Daily Press Briefing, May 20, 1983 (Extracts) [4]

Sale of F–16's to Israel

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The Department of Defense has transmitted to the Congress today formal notification of our intention to sell 75 F–16 aircraft to Israel. While the timing of this notification is related to the Israeli agreement with Lebanon, [5] the decision on the sale itself, which was approved over a year ago, reflects our long-term commitment to maintain Israeli's qualitative military edge in the region. Our heightened concerns about the Soviet challenge in the region, particularly the Soviet supply of the SA–5 integrated air-defense system to Syria, makes it timely for us to send this notification to the Congress now.

. . . . . .

Q. John, does the release of the F–16's mean that the United States is convinced that Israel did not violate the agreement—the arms agreement that they have with the United States?

A. I think we can stand on the words that the President used at the times he has made his various announcements on the F–16 before.

Q. John, previously those words have included his linking the transfer, or the release of the sale, to the withdrawal of Israeli forces. Obviously, this is a change in that policy, since the forces have not withdrawn. Could you explain why that change was made?

A. I think the situation has changed in that you have an agreement between Israel and Lebanon for the withdrawal of those forces. You have an Israeli willingness to withdraw those forces.

. . . . . .

Document 323

Statement Issued by the Department of State, May 23, 1983 [6]

Israeli Compliance With the Arms Export Control Act

Q. Secretary Shultz has indicated that the administration's review of Israeli use of U.S. furnished weapons has been completed. What was the conclusion? Did the Israelis violate the terms of our agreements with them or not?

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[4] Source: Office of Press Relations, Department of State. John Hughes, Spokesman of the Department of State, conducted the briefing, which began at 12:12 p.m.

[5] Reference is to the Agreement between the Government of Israel and the Government of the Republic of Lebanon, signed on May 17, 1983; see document 357.

[6] Source: Office of Press Relations, Department of State; posted statement. This statement was posted in response to a question asked by a journalist on May 19, 1983.

A. The Arms Export Control Act imposes one specific requirement on the President—that he report to the Congress when a violation of the conditions under which U.S. equipment was furnished "may have occurred." [7] It does not require that the President make a judgment as to whether a violation of such an agreement has occurred in each case. Rather, it provides the President a wide range of discretion to take such good faith action as he considers appropriate to promote observance of the conditions under which U.S. equipment has been furnished. The administration has complied fully with the specific reporting requirements of the statute, and has taken certain actions designed to make clear our concerns and expectations regarding the use of U.S. equipment in Lebanon, and the Congress has been kept fully apprised of our thinking in this respect. We do not believe that it would serve any useful purpose to take further action at this time.

Document 324

Address by the Under Secretary of State for Political Affairs (Eagleburger), June 12, 1983 [8]

Overview of U.S.-Israeli Relations

To begin at the beginning of my outline, Israel lies in the center of one of the principal geographic arenas of East-West competition. Sharing with us the same democratic ideals, the same principles of freedom and dignity of the individual, Israel stands as a bastion of Western interests and values in an area perpetually coveted by the Soviet Union. As such, our preoccupation with Israel's security and well-being rests not only on a deep and abiding moral commitment to preserving this outpost of freedom, this Jewish homeland; it also rests on a broad base of common strategic interests.

Based on a similar matrix of common interests with other countries around the world, the United States has provided economic and military support to enable friends and allies from Europe to the Far East to Latin America to defend themselves from internal subversion and external aggression. This policy has contributed over the years to the emergence of a network of solid, self-sufficient free countries. These are countries capable of defending themselves from without and having the internal stability to build strong economies and just societies. Israel has been perhaps that policy's most outstanding success story.

Our ongoing generous economic and military assistance not only helps Israel defend itself; I believe it is also a solid investment in our own country's security. Israel's democratic institutions and its political stability make it a reliable and dependable friend in a volatile region. Its military power is seen by the Soviets as standing in the way of their expansionist ambitions in the Middle East. The security of Israel is a vital American interest, and we will not stand idly by in the face of Soviet threats to that security.

It is no coincidence that Israel's most implacable enemies—the rejectionists—are, by and large, clients of the Soviet Union. Many of the other states in the region, however, share with the United States—and with Israel—a common interest in resisting Soviet encroachment in the Middle East. Much of the dramatic evolution toward peace in the Middle East over the past decade has stemmed from the growing realization that the conflict with Israel runs counter to this interest.

It was no coincidence, for example, that President Sadat's first step on the road that eventually led him to Jerusalem was the expulsion of the thousands of Soviet advisors invited into Egypt by his predecessor. Sadat recognized the pernicious linkage between the futile and interminable struggle against Israel and the mortgaging of his country to the Soviet Union. Setting Egypt free and enabling it to tackle its immense internal problems required both disentanglement from the Soviets and peace with Israel. In responding with vision and magnanimity to Sadat's overture, Israel clearly recognized this linkage as well, and struck a major blow for the defense of the West.

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[7] The quotation is from Section 304 (b) (2) of the International Security Assistance and Arms Export Control Act of 1976, P.L. 94-329; for text, see 90 Stat. 755.

[8] Source: Department of State files. Eagleburger addressed the American-Israeli Public Affairs Committee (AIPAC) in Washington.

The same linkage has been evident in the progress towards peaceful relations between Israel and Lebanon. Although the Lebanese had no fundamental quarrel with Israel, the domination of large areas of their country by Soviet-backed foreign forces blocked all avenues to peace. With the elimination of that bellicose presence from her capital and the conclusion of an agreement that would provide for the complete withdrawal of Israeli forces, we believe that Lebanon is now back on the road both to full sovereignty over its territory and to productive relations with its neighbor to the south. Syria must now decide whether it will assist Lebanon in ridding itself of all foreign forces or will ask to keep that country in a state of torment.

The Soviet Union knows that without the Israeli-Arab conflict it has nothing to offer the peoples of the Middle East. Its social and political ideas are anathema to them and its approach to economic development is bankrupt. Dependent on continuing turmoil, the Soviets have consistently tried to obstruct the peace process at every turn. Their current heavy military buildup in Syria, reinforcing resistance to the Israeli-Lebanese agreement, is but the most recent example of this irresponsibility. By attempting to thwart the effort by Israel and Lebanon to live in peace, the Russians are making a desperate bid to recoup some of their waning influence in the Middle East.

This lesson is not lost on the other states in the area, most of which have no interest in seeing the Soviets regain lost ground. The acceptance of the Israeli-Lebanese agreement, publicly or privately, by the great majority of the Arab States bespeaks a growing recognition that peace is also in their own individual and collective interest. Although progress has been painfully slow and fitful, we should not underestimate how far we have come. A year ago, significant elements in the Middle East still harbored the illusion that the Arab-Israeli conflict could be resolved by military means. Today mainstream Arab leaders are talking about how—not whether—to make peace with Israel.

Thus, the most effective way that the United States and Israel can advance western interests in the Middle East is a mutual and vigorous pursuit of the peace process. To the extent we make progress along this path, Western influence is strengthened; the absence of peace, on the other hand, provides fertile ground for Soviet encroachment. As a friend of both sides, the United States plays a uniquely constructive role in helping them resolve their differences. It is essential that we persist in that effort and that the momentum generated by recent breakthroughs not be lost.

In our unshaken view, President Reagan's September 1 initiative, solidly grounded as it is in the principles of Camp David, remains the most promising and realistic avenue for the peace process. We are convinced that it is the only approach which would both fully protect Israel's security interests and provide the minimal political elements necessary for an acceptable solution to the Palestinian problem.

No discussion of Israel and East–West relations would be complete without some reference to the Soviet Jewry issue. I want you to know that we are deeply disturbed by the virtual cessation of Jewish emigration from the Soviet Union. This situation is not acceptable to the United States. In every meeting he has with a Soviet official, Secretary Shultz reiterates that Soviet refusal to permit Jewish emigration is not only a violation of its obligations under the Helsinki Accords; it is also a serious obstacle to improvement of U.S.-Soviet relations. I wish I could be more immediately optimistic about this problem. But let me assure you that we will not rest until the gates of the Soviet ghetto are opened once again.

Before addressing Israel in the intra-Western framework, let's look briefly at the North–South context. Israel is a virtually full-fledged member of the industrialized world, but it has only recently achieved that status, by dint of a tremendous sustained campaign of economic development. As such, it has learned many lessons of great value to the developing countries. Within a few years of its founding, Israel was already offering significant high-quality technical assistance, especially in agriculture, to a number of newly-emerging countries in Africa, Asia, and Latin America. In many ways, Israel's small-scale techniques are more appropriate to developing-country needs than the big large-scale aid projects undertaken by the major industrial powers. Moreover, these developing countries need have no fear that Israel harbors political or military ambitions toward them.

Many of Israel's relationships suffered as a result of the trend toward radicalization of the Third World in the 1970's. This deterioration showed up most conspicuously in the United Nations, where the more radical LDC's, spurred on by the Soviets and their friends, have vied with each other to produce ever more distorted and vulgar calumnies against Israel. The United States has worked closely and effectively with the Israelis and other friends to limit the damage to Israel of those attacks. The real victim of this corruption of the organization's noble ideals has been the moral image of the United Nations itself.

I expect that Israel will benefit from the growing trend toward pragmatism in the Third World that I noted earlier. In conjunction with Israel's withdrawal from Sinai, one of black Africa's leading countries, Zaire, broke the diplomatic embargo and reestablished formal relations. We are hopeful that further rapprochement will take place as the peace process is advanced. In time, it is altogether probable that Israel can assume its natural role as a bridge, literally and figuratively, between North and South.

Finally, let me make a few comments about our relations with Israel in the context of what I call "West–West" relations. Our ties with Israel are, in many ways, as close as those with our NATO allies, even though we don't have the same formal institutional links. What we have most importantly in common are the same values we share with the world's other democracies: constitutional, representative government; guarantees by law of basic political and civil rights; an open economic system.

I know that Secretary Shultz was profoundly impressed by his recent trip to Israel.[9] He was moved by the warmth and graciousness of his reception by the Israeli Government and people. And he was gratified by the depth of mutual understanding and commonness of purpose between our two nations.

I am personally very pleased that with the Secretary's trip and the signing of the Israeli-Lebanese agreement, our relations with Israel are back on an even keel. I myself had very satisfying discussions with Deputy Foreign Minister Ben-Meir here in Washington just last week. The announcement of the F–16 sale has now been sent to Congress. Licenses for the Lavi aircraft project have begun to be issued and more are in the works. Israel and the United States are sharing information on military lessons learned in the war in Lebanon. U.S. economic and military aid to Israel are at high levels.

All of this obviously does not mean that we still don't have differences, just as we do with our other close friends. The most significant disagreement, of course, is over the peace process. I will not belabor those differences here—they are well known to all of you. Let me just say that the United States can—and we will—continue to assure that Israel has all the military strength it needs to defend itself. In the final analysis, however, true security can be achieved only through peace, just and lasting peace between Israel and her neighbors. I believe that peace is not only possible; it is eminently achievable, if only we can all muster enough patience, determination, courage, and vision to see the process through.

[9] Secretary Shultz visited Israel on five occasions (April 27–28, 28–30, May 1–3, 4–6, and 8) while seeking a solution to the Lebanon crisis.

Document 325

Remarks by the Secretary of Defense (Weinberger), June 14, 1983 (Extract)[10]

Prospects For Reviving the U.S.-Israeli Memorandum of Understanding

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Q. When do you plan to reactivate the memo of understanding with Israel[11] and

[10] Source: *Public Statements of Secretary of Defense Weinberger, 1983*. The remarks were made in a question-and-answer session after an address by Secretary Weinberger at the National Press Club in Washington.

[11] For text of the Memorandum of Understanding Between the Governments of Israel and the United States, signed on November 30, 1981, see *American Foreign Policy: Current Documents, 1981*, pp. 772–773.

do you think Israel has the capability to knock out the new missiles in Syria?

A. The latter part of the question would of course involve an estimate of mine and I don't know how valuable that would be. I would simply say that the Israel Air Force has immense capabilities and immense skill and they have demonstrated that repeatedly. On the basis of their past record I would think they probably could, but that's just a personal estimate. Obviously, we would much rather have the situation resolved peacefully by the removal of the Syrian troops from Lebanon and carrying out of the agreement the Israelis have already made to withdraw from Lebanon. In that way we can get Lebanon back to proper status of a sovereign nation and help strengthen them and help rebuild their very shattered infrastructure so that they would again exercise the normal rights of sovereignty. That, I think, is a very first and essential step in getting peace in the Mideast.

On the first part of the question, the memorandum of understanding was a memorandum which we had agreed to with Israel which provided that we and the Government of Israel and any other government in the Mideast wishes to join the agreement, would take appropriate and useful steps to prevent any kind of invasion or aggression against the entire Mideast by the Soviet Union. The revival, or the reinstitution of that memorandum could take place virtually at any time depending on the wishes of the Israeli Government. It would also be important, I think, to emphasize the fact that it was an agreement that was designed to deter attack on the entire Mideast region. So it would be entirely available to and appropriate for entering by all the other nations that wish to do so, the modern Arab nations surely, in the Mideast because the very real dangers to the region as well as the world of any Soviet aggression into the Mideast.

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Document 326

Transcript of a Department of State Press Briefing, Atlanta, November 19, 1983 (Extracts) [12]

Military Cooperation Between Israel and the United States

Q. First of all, on behalf of the American Jewish Press Association, we sincerely appreciate the opportunity you've given for this *background* briefing.

I would like you to comment on the fact that there have been some extensive reports that you personally have led a move within the administration for a more open and clear strategic cooperation in the Middle East with Israel.

Would you comment on whether or not this is true; and also if the recent raid by Israeli and French planes against pro-Iranian targets in Lebanon will be followed by a similar U.S. action?

SENIOR ADMINISTRATION OFFICIAL. On the last question, our policy is not to comment on it because we're not elaborating on that question at all.

On the first question, we certainly want, and I feel that since I have been in office I have had a strong, open, collaborative relationship with my counterparts and friends in the Government of Israel. I know that President Reagan feels that a relationship of that kind for the United States is very important, and he intends to nurture it in every way that we can. That means that we fundamentally support Israel. It doesn't mean that we never disagree about anything or have an argument about anything because there are times when we have differences of opinion, but those are differences in the family, so to speak, and the fundamental fact of the close relationship with Israel and the United States is there. I think it transcends administrations for that matter in either the United States or Israel. It's a

[12] Source: Office of Press Relations, Department of State. The briefing, which was conducted on background by a senior administration official, was held for representatives of the American Jewish press in Atlanta, at the Hyatt Regency Hotel, beginning at 6:30 p.m.

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basic country-to-country proposition. I am very proud to be part of the effort to work on it.

Sometimes there are people who disagree with me within the administration and if I get too frustrated, I just suggest that we have a meeting with the President and see what he has to say, and that settles it.

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Q. An air force general, speaking at the John C. West Foundation's Conference last week on Persian Gulf security, completely ignored Israel as a strategic base for rapid deployment of United States forces, deployment going around the tip of Africa, and through Europe; does the United States Government not consider Israel of any importance in helping to maintain the peace in the Persian Gulf?

A. I think Israel is of great strategic importance. Israel, I think—we should keep reminding ourselves, Israel is a democracy. Israel has the kind of values that we have. Israel is a stable country. Israel can have a change of governments and still be the same country, so to speak, just as we can.

Israel can conduct an investigation of something like the Sabra and Shatila problem and investigate its own leaders, and have a report and nobody even raises a question about whether that report is an honest and objective report.

I think that from our standpoint, given all of those considerations, let alone its location and Israel's affinity for us, that it's clearly a country that is very key in our interests in that part of the world.

When it comes to the Gulf itself, and I don't know what this air force general had to say or in what context, but if you put one finger down on Israel and put the other down on the Straits of Hormuz, it's quite a distance. So you're not going to be able to fly a fighter, say, from there and back. That doesn't mean that you can't position supplies and position things there. But in our thoughts about, let's say, maintaining the international waters in the Straits, we pretty much have to do that with carrier task groups where you're right in the Arabia Sea; and we also have quite a good relationship with Oman. Of course, they're right there.

I might just say, if you haven't looked into the question of Oman and read some of the things that the Sultan of Oman has said, you might do that, because he has a different attitude toward Israel than the other Arab countries do. You ought to do a little work on that. He's a pretty impressive person.

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Q. When Messrs. Shamir and Orgod and Arens come, will you be able to discuss with them the pre-positioning of equipment in Israel from the standpoint that Israel can no longer afford to keep the balance of power financially? The costs are too high.

Is it possible to arrange a situation where American equipment is placed there and there's a lease-back system to Israel in case of need to use them? And, also, is it possible to consider Israel using the Merkava tank which has proven itself so well?

A. As far as the tank is concerned, and the details of this, I think I'll pass on that in the sense that we will have to approach these subjects with those gentlemen.

As for (inaudible) and my friend Mosha Arens keeps telling me that Israel produces a better tank than anything we've got anyway. And people tell me that's true.

We want to try to work out arrangements that do everything we can to help Israel maintain its posture of having an effective military advantage in the region so that it isn't going to be knocked over by somebody's superior military power. That is sort of the point of all of these things, and there are all sorts of different suggestions about how that should be done. Mosha Arens is very interested in development of a fighter aircraft, of producing it in Israel—the Lavi. That seems to be going forward. But there are all sorts of trade-offs here; you can't do everything, or Israel can't do everything. It's much more constrained than we are. It's a very small economy, and I hadn't appreciated it really until talking with the President the other day and we were discussing some of the economic problems.

The President made some question of how it would affect us if Israel did such-

and-such. I said, Mr. President, you have to remember that we are a $3-½ trillion economy and Israel is a $17 billion economy. The U.S. economy grows in a quarter more than $17 billion. There is no constraint, so to speak, in our economy about the sorts of things that need to be done, because the scale is so enormously different.

I'm not really dodging your question, but I don't want to go into the specifics of it. I think that's more for the discussions that would be held and they're, of course, the kind of discussions that would be held between Secretary Weinberger and Defense Minister Arens, although I try to keep an eye on those talks. (Laughter)

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Document 327

Statements by President Reagan and Israeli Prime Minister Shamir, November 29, 1983 [13]

Visit of Prime Minister Shamir

THE PRESIDENT. We have held 2 days of intensive talks with Prime Minister Shamir and his colleagues, covering a broad range of subjects including political, military cooperation, Lebanon, Israel's economic situation, and the pursuit of the Middle East peace process; and these discussions, as could be expected between close friends and allies, have been very productive. We reconfirmed the long-standing bonds of the friendship and cooperation between our two countries, and expressed our determination to strengthen and develop them in the cause of our mutual interests.

We have agreed on the need to increase our cooperation in areas where our interests coincide, particularly in the political and military area. And I am pleased to announce that we have agreed to establish a joint political-military group to examine ways in which we can enhance U.S.-Israeli cooperation. This group will give priority attention to the threat to our mutual interest posed by increased Soviet involvement in the Middle East. Among the specific areas to be considered are combined planning, joint exercises and requirements for prepositioning of U.S. equipment in Israel.

We've agreed to take a number of other concrete steps aimed at bolstering Israel's economy and security. These include asking Congress for improved terms for our security assistance to Israel, using military assistance for development of the Lavi aircraft in the United States, and for offshore procurement of Lavi components manufactured in Israel, permitting U.S. contractors to enter into contracts with the Government of Israel consistent with U.S. law, which would allow Israeli industry to participate in the production of U.S. weapons systems procured with foreign military sales credits, offering to negotiate a free trade area with Israel.

A main focus of our meetings was the agony of Lebanon, and the threats there to our common interests. We examined, together, Soviet activities in the Middle East, and found a common concern with the Soviet presence and arms buildup in Syria. We reaffirmed our commonly held goals of a sovereign, independent Lebanon—free of all foreign forces, and of security for Israel's northern border.

We agreed that every effort must be made to expedite implementation of the May 17th agreement between Israel and Lebanon. Adequate security arrangements for Israel's northern border must be assigned the highest priority. We are hopeful that such arrangements can be concluded soon. We, of course, discussed the broader goal of peace between Israel and its Arab neighbors. The Egyptian-Israeli peace treaty remains the cornerstone of the peace process. I reaffirmed my commitment to the September 1 initiative as the best way to realize the promise of Camp David and the U.N.S.C. Resolutions 242 and 338 upon which it was built.

As you can see, our 2 days together have revealed substantial areas of agree-

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[13] Source: White House Press Release, November 23, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, December 5, 1983, pp. 1623–1625. President Reagan and Prime Minister Shamir delivered their remarks to reporters on the South Grounds of the White House at 1:24 p.m., following a meeting in the Oval Office. Prime Minister Shamir made an official working visit to Washington, November 27–30, 1983.

ment and resulted in a number of specific concrete steps that we will take to strengthen our ties.

We have also discussed some issues on which we do not see eye to eye. But disagreements between good friends do not alter the unique and sturdy foundation of our relationship.

I know that Prime Minister Shamir shares with me the renewed conviction that the warm friendship between the United States and Israel will endure and strengthen.

PRIME MINISTER SHAMIR. I am grateful for the invitation extended to me by President Reagan to come here to Washington for these discussions. The Minister of Defense and I have had the opportunity to conduct very thorough discussions with the President, the Secretary of State, the Secretary of Defense, and their sea of [*senior*] colleagues and advisers. These discussions have been carried out in the spirit of the traditional friendship and the common bonds of mutual understanding that bind our two countries.

We reaffirmed our determination to insure the withdrawal of all foreign forces from Lebanon. The only basis for a settlement of the Lebanese problem is the full implementation of the May 17, 1983 agreement in all its parts. We have discussed with the President and the Secretaries the necessary steps that could facilitate the carrying out of this agreement.

Syria constitutes today a major threat to the peace in our area by occupying more than 60 percent of Lebanon and by its massive concentration of Soviet arms and personnel on Syrian territory. Israel is ready to renew the peace process and discuss the final status of Judea and Samaria, following the autonomy period in the framework of the so-agreed basis for negotiations, mainly the Camp David Accords.

We discussed during our visit here the major threat that terrorism constitutes to the peace, and we shall pursue our fight against it in close cooperation with the United States. Due to the need to ensure our security, a large part of our budget is spent on defense. We hope that the American administration will increase their assistance program, taking into account the great sacrifices made by Israel in the peace treaty, by relinquishing the oil wells and building new installations as a result of the restoral of Sinai.

New measures, this time to encourage the development of our economy by establishing a free-trade area, by sharing new technology will enhance Israel's strength and enable us to pursue our economic program so vital to the well-being of our society.

In order to advance the search for peace and to strengthen the ties between our two countries, we decided to establish the mechanism necessary to determine the details of the nature and scope of our cooperation in the area, in the fields of prepositioning of equipment for military readiness, joint exercises, and other relevant fields.

We have agreed to establish a joint political-military committee to work on the details of these agreed matters. The aim of this cooperation is to strengthen Israel and deter threats to the region. The group will hold period meetings, starting the first week of January 1984.

I wish to once again thank the President and the people of the United States for their strong support of Israel and for the warm feelings conveyed to the Minister of Defense and myself by the President, the Vice President, the Secretary of State, and the Secretary of Defense.

We will proceed on the road to peace with increased vigor. I return to Jerusalem strengthened in my conviction that with the aid of the United States of America, and fortified by the friendship of its people and Government a strong Israel can indeed achieve peace.

Thank you.

Document 328

Transcript of a White House Press Briefing, November 29, 1983 (Extracts) [14]

Expansion of Economic and Defense Cooperation With Israel

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[SENIOR ADMINISTRATION OFFICIAL.] The President['s] themes were—(laughter)—political, political-military cooperation, our relations with the moderate Arabs, the peace process, and Lebanon—the areas that he wanted to focus on that he laid out to the Prime Minister and the Minister of Defense in their first session yesterday. And all of those were covered in great detail.

We had—I think you were talked through the schedule yesterday—that went on, formally, until some point after 6 p.m. last night—about 3½ hours of—4 hours of talks yesterday afternoon. Then, a couple of working groups continued to work through the evening, developing thoughts on the political-military working group and sharing our assessments on the situation in Lebanon.

This morning, when they arrived at the White House, there was a session just between the President, the Vice President on our side, and the two Ministers—Prime Minister Shamir and Minister Arens. That was for about 15 minutes, followed by 45, 50 minutes in the Cabinet Room and, then, luncheon.

And one additional subject that was covered at the lunch was the Gulf war—the Iraq-Iran war, again, sharing our respective assessments of that.

What I'd like to do is move, first of all, to a number of specific subjects. Now, these weren't in order of priority, but they're in the order of my notes. So bear with me. And, then, we can take the questions afterwards.

The Israelis have had, for some time, a strong interest in the free trade area. There have been informal discussions going on for about the past 2 years on this subject. They do have a free trade area, which will come into effect with the European Community in a year to two—time, can you—

SENIOR ADMINISTRATION OFFICIAL. Eighty-nine.

SENIOR ADMINISTRATION OFFICIAL. I'm sorry; '89.

They have been very interested in establishing a similar relationship with the United States. And we had Brock—William Brock, the special trade negotiator—open the meeting this morning to give an outline of how he saw that issue proceeding. And, basically, we now want to move from what had been informal to formal negotiations on a U.S.-Israeli free trade area.

This, Brock estimates, could be concluded in a few months time. It would be a completely reciprocal arrangement—free trade for our products in Israel, free trade for Israeli products in the States. It has implications, of course, to our global economic relations. Since 1923, our adherence [has been] to the principle of most-favored-nation. In any event—these questions—the basic questions have been studied and have been resolved in the affirmative. And we want to proceed with these talks. I think those will probably get started in December.

Now, some defense-economic decisions—the following ones were taken. FMS financing of offsets in commercial contracts: the President is prepared to make an exemption for Israel from the general policy of prohibiting offset arrangements in FMS commercial contracts and has decided to place an *ad valorem* 15 percent cap on that exemption. This is designed to stimulate the Israeli economy and industrial production base.

Second, the use of FMS funds for the research and development on the Lavi fighter: the administration will implement the Congressionally mandated use of up to $300 million for R&D on Lavi projects. That production [is] in the United States.

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[14] Source: Office of the Press Secretary to the President. The briefing, which was conducted on background by a senior administration official, took place in the Briefing Room of the White House, beginning at 1:45 p.m., and concerned discussions between President Reagan and Prime Minister Shamir during the latter's visit to Washington.

This exceptional use of FMS underscores our support for the Lavi program.

Further decision on FMS was its use for offshore procurement. The administration endorses the Congressional earmark of $250 million for procurement of defense articles and services in Israel for the Lavi program. It will also approve offshore expenditures of $200 million related to Israel's redeployment from Sinai. And we'll consider additional offshore procurements on a case-to-case basis.

Fourth, on cluster munitions, the United States is committed to Israel's security. It is prepared to lift the suspension on shipments and sales of cluster munitions at the conclusion of a satisfactory usage agreement that contains a definitive guarantee against violations. . . .

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Other subjects, subjects in the area of defense economic decisions. On the Lavi fighter, the subject of Phase 3 production technology, the President has not yet made a decision on Phase 3 of technology transfer. In this case, that would permit the production in Israel of the wing and tail assemblies.

The subject was discussed concerning use of FMS to purchase Israeli products by other FMS recipients, by third countries. This we cannot agree to.

We also discussed [the] memorandum of agreement on defense cooperation. We will continue ongoing negotiations which aim at renewing and improving the existing memorandum of agreement instead of renegotiating from what is called, a NATO type text.

Now, that's the list of defense related issues, the free trade area. On the political side, foreign policy issues, the President, the Secretary of State made our position very clear about our commitment to the Camp David framework and the September 1 initiative. They emphasized—and these were in separate conversations—that we continue to see [UN Security Council Resolution] 242 as applying to all fronts and that settlements, we see, as an obstacle to peace.

We share the commitment which the Israelis spoke to us about of upholding the Israeli-Egyptian peace treaty and helping to develop that relationship because if 242 is for peace, that treaty is, of course, of key importance in the process.

We spoke at the main meetings and in private sessions, I understand, that each Secretary had this morning with his counterpart over breakfast, [conversations] about the quality of life of the Palestinians on the West Bank and Gaza. We expressed the hope that more consideration will be given to what we call development type projects, developmental initiatives affecting those populations.

We have a number of private voluntary organizations operating in both areas and had a review of their work. The President, as well as the Secretary of State and the Secretary of Defense, I know, also participated very vigorously in the discussion, addressed the need, our need, for military relationships with moderate Arabs. It's part of the whole picture of our role in the Middle East. As we said, there are times that this is going to involve arms sales. We recognize this will create problems, has created problems, misunderstandings between us and Israel and we will work to explain our needs in such a way as to minimize any future problems. We have a major stake in maintaining our relationships with the moderate Arabs and we laid that out very plainly as a major theme is the discussions.

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Document 329

Transcript of a Press Conference by the Secretary of State (Shultz), December 5, 1983 (Extract) [15]

Israel's Security and the Stability of the Middle East

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[15] Source: Department of State Press Release, 414, December 5, 1983; the date of release is incorrectly given as November 5, 1983. Also printed in Department of State *Bulletin*, January 1984, p. 37; for the complete text, see *ibid.*, pp. 35-38.

Q. Mr. Eagleburger yesterday said on ABC television that the United States strategic agreement with Israel intends to stabilize the Middle East and that it will work to help Israel and the moderate Arab States. How can you explain that, sir?

SECRETARY SHULTZ. I think that, first of all, the security of Israel is a very important element of stability in the Middle East insofar as the United States is concerned. So, always, in our relationships with Israel we examine that problem and we seek to do everything we can to insure that.

In the present situation, what we have seen is a very substantial Soviet buildup in Syria, and that is a fact. We discussed it in great detail with the Israelis, and it's something to which we need to pay attention and be prepared to respond. I think doing so does help bring stability in the area.

We discussed many other things with the Israelis and we agreed, among other things, with them to establish a joint political military group. It will have its first meeting in January, and it will be a way to keep track systematically of many of these matters that we discuss when we have visits back and forth. So that process will be in motion, and I think it will help the cooperative action between the countries, but it's something for the future, of course.

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H. Jordan

Document 330

Testimony by the Assistant Secretary of State for Near Eastern and South Asian Affairs (Veliotes) Before a Subcommittee of the House Foreign Affairs Committee, February 2, 1983 (Extract) [1]

Reports of U.S. Support For a Jordanian Rapid Deployment Force

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[MR. LANTOS.] Mr. Secretary, if I may pursue the Jordanian issue, there has been some speculation in the media that we are planning to build a rapid deployment force in Jordan, to serve in the Middle East. Can you tell us a little bit about this force, and how far the planning has gone?

MR. VELIOTES. Well, MI. Lantos, I am not going to address the specifics of the press reports and speculation that we have all seen. I will say, however, that for over a quarter of a century, we have shared with Jordan, under King Hussein, common goals with respect to stability and security in the area and the Gulf.

This has been reflected in our close security relationship with the Government of Jordan, and if you look at the record, if I may say for a moment, the Government of Jordan has a long track record of engaging itself in security issues in the Gulf.

Back 20 years, they sent a brigade to Kuwait when Kuwait was directly threatened by Iraq. Jordanian battalions were in Oman helping to put down the Communist-inspired rebellion from Aden.

Thousands of Jordanian personnel are in the police and military services of that whole peninsula, and thousands more Gulf Peninsula security and police person-

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[1] Source: *Developments in the Middle East, February 1983: Hearing Before the Subcommittee on Europe and the Middle East of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 6–7.

nel receive training, so Jordan is definitely very deeply involved in these issues.

MR. LANTOS. Your answer in that sense is yes. My question was not critical. My question is, are we supportive of the creation of what, in fact, is a minirapid deployment force made up of Jordanian troops?

MR. VELIOTES. We are supportive of our traditional relationship with Jordan, which in part, significant part, is based on our common position and cooperation in trying to insure the stability and security there.

MR. LANTOS. In this connection, have there been any commitments made to Jordan, privately or otherwise, concerning weapons deliveries in the future?

MR. VELIOTES. This has been addressed publicly, I believe, by the Secretary before the House Foreign Affairs Committee the other day. There are no formal requests before us. We know that the Jordanians do want aircraft and air defense equipment.

We also are aware that the King, should he decide to join the peace process, will increase his risk factor by geometrical proportions given those who will be opposed to him.

Under those circumstances, and all things considered, certainly we are prepared to consider on the merits any eventual formal Jordanian request, and the disposition of such a request would depend upon circumstances, including the consultations with the Congress.

MR. LANTOS. But there will not be a repetition of last year's episode where one of the arguments for the AWACS sale was that commitments have already been made and we would be embarrassing the administration if Congress were not to approve the sale.

MR. VELIOTES. Without digressing into AWACS history, I think we also made a very strong case on the merits for the AWACS, which I happen to believe is still valid. We will make our case, should we make our case, for the Jordanian arms sale on its merits.

MR. LANTOS. And not in terms of previous commitments made.

MR. VELIOTES. It will be on its merits.

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Document 331

Prepared Statement and Testimony by the Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs (Placke) Before a Subcommittee of the House Foreign Affairs Committee, March 10, 1983 (Extracts) [2]

Security Assistance to Jordan

Mr. Chairman, members of the Subcommittee: I welcome the opportunity to testify today in support of the administration's proposals for economic and security assistance to Jordan, Oman and the Yemen Arab Republic for fiscal year 1984.

While our assistance programs are tailored to each country's needs, these programs are elements of the broad regional strategy which the administration has developed and is carrying out. In each country, our assistance programs are intended to nurture basic relationships of mutual interest and trust and to assist their governments in strengthening their security and promoting their economic progress. In the process, we will be advancing our objectives of peace, and security and progress toward realization of the economic and social aspirations in this strategically important part of the world. The funding that we are requesting, developed in light of our own budgetary stringencies, is what we believe is essential to pursue our regional policy and to progress toward these objectives. Specifically:

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[2] Source: *Foreign Assistance Legislation for Fiscal Years 1984–85: Hearings and Markup Before the Subcommittee on Europe and the Middle East, Committee on Foreign Affairs, Ninety-eighth Congress, First Session* (Washington, 1983), Part 3, pp. 151–155; 160–166; 171–172, 174. Colonel Homer D. McKalip, USA, Chief of the Near East/South Asian Division, Defense Security Assistance Agency, also testified before the subcommittee. Placke's testimony also dealt with assistance to Oman and the Yemen Arab Republic; see document 303.

—Our assistance is important to Jordan's security and economic well-being, the maintenance of which is essential for that country to have the internal strength to enter the peace process at this critical juncture. In addition, our strong support is crucial to Jordan's ability to continue to contribute to the security and stability of the region.

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The United States has a strong interest in the stability and orientation of these countries over the period ahead. Our continuing support to help them face external and internal challenges is a major factor in advancing our interests in the region.

For Jordan. Therefore, in fiscal year 1984, we are requesting $20 million in economic support funds (ESF), $115 million in foreign military sales guarantees (FMS), and $2 million for International military education and training (IMET). Under the fiscal year 1983 supplemental request, Jordan would receive an additional $35 million in FMS, which brings the total for that category in FY 1983 to $75 million.

Our continued support for Jordan is crucial to its ability to remain a viable, moderate factor in the region. We must encourage this country to join direct peace negotiations with Israel by ensuring that Jordan has confidence in its own strength and that support from the United States is sufficient for the Government of Jordan to accept the heightened risk to its security which entering such negotiations is likely to entail. We must help assure Jordan's ability to keep its borders secure and to continue its policy of preserving peace along its frontier with Israel. It is in our interest to encourage Jordan to continue to be an effective regional source of military training and advisory assistance.

Jordan urgently requires more modern armament, especially in the face of the Soviet resupply of hostile Syria. FMS financing assists in the acquisition of military equipment most critical to Jordan's legitimate self-defense. Any arms request from Jordan will be considered carefully. Congress will be consulted and have ample opportunity to review major arms sales decisions. Priority material for which this funding is intended includes ammunition, armored personnel carriers, communication equipment, chemical protective equipment, and spare parts.

IMET enhances the professional capability of Jordan's armed forces and contributes to the general Western orientation of Jordan's officer corps. This funding also assures that Jordan can continue its valuable military training and advisory assistance role in the region. A role we see as generally supportive of U.S. interests.

In addition to security assistance, this request provides for continuation of our longstanding support of Jordan's economic development. Jordan's economy is heavily dependent upon transfer payments in the form of foreign (primarily Arab) aid and expatriate worker remittances. Our assistance has long been an important supplement to these receipts, but it is more significant now that these flows are likely to be adversely affected by the reduced earnings of the oil exporting countries of the Gulf. ESF funds will continue to assist in the development of water and waste water systems, Jordan valley irrigation projects and health and agricultural programs. The program will also emphasize institution building through management training and technology transfer.

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To conclude, Mr. Chairman, we are working closely with the governments of each of these three countries to foster common objectives of peace, freedom, security and progress toward economic and social aspirations. A continued adequate level of economic and security assistance is crucial to our interests in each of these countries. We will not have peace in the Middle East and stability in Southwest Asia if we do not back our rhetoric with resources.

MR. HAMILTON. Does anyone else have a statement, or are you ready to go?

Let's start with the military assistance for Jordan. We have a big increase there. You are requesting $115 million for FMS for 1984, and that is a huge increase over the $40 million provided in 1983. I see you have a supplemental there, but even with the supplemental of $35 million, you have got a big jump.

So the first question, I guess, is why the increase?

MR. PLACKE. Mr. Chairman, going back a bit further in history, I am sure you recall that this level of funding is substantially less than that which we had sustained through much of the 1970's until it declined to these present levels.

I might note that the administration's request for fiscal year 1983 was a total of $75 million, which accounts for the additional funding we are seeking through the supplemental appropriation.

The increase that we are seeking for 1984 is indeed a substantial one. It is intended, in part, to address the accumulation of requirements that we see in Jordan that have mounted over the past several years.

This level of funding is not for extraordinary new programs or for exotic weapon systems, but simply to maintain the Jordanian army and other military forces at an adequate state of preparedness and to engage in modest modernization of those forces.

MR. HAMILTON. It is meant as an inducement for Jordan to enter the peace process? We are all awaiting the King's decision here. This isn't a little carrot, is it, to bring him into the peace process?

MR. PLACKE. Not in the direct sense, Mr. Chairman, no. Clearly this level of funding is not something that is going to influence King Hussein's decision. The issues are far too fundamental and important for Jordan and, indeed, for the region to be affected by a program of this magnitude or probably any level of funding one could reasonably foresee.

It is related to our efforts to encourage Hussein to participate openly and directly in the peace process in the sense that by doing so he certainly is going to accept a higher level of risk, particularly vis-à-vis Syria and some of the other radical states in the region. In order to make that risk an acceptable one, we believe it is important to enhance Jordan's security by these means.

MR. HAMILTON. So it is related to, but not linked, is that what it is?

MR. PLACKE. Yes, sir.

MR. HAMILTON. Are we tying Jordan's access to some of these sophisticated weapons like the F-16 in any way to their participation in the peace process?

MR. PLACKE. No, sir. It is an open secret that Jordan is interested in modernization of its air defenses and foresees a requirement for an advanced fighter aircraft as well as a ground-to-air missile system, but that is certainly not incorporated into this request. Indeed, we have no request from the Government of Jordan pending at this time. That is another issue that would be addressed somewhere down the road.

Clearly there is a political environment that surrounds these requests, and Jordan's position on the peace process and the level of engagement that it seeks, we all recognize will influence that environment.

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MR. HAMILTON. What is the status of this sale, anyway? We have been hearing for a long time about the Hawk missiles, the F-16's, and other items, the Stinger missiles, where does that stand at the moment?

Have they made a formal request for any of those items?

COLONEL MCKALIP. They have not to my knowledge.

Maybe I should defer to Mr. Placke.

MR. HAMILTON. Where does all this stuff come from? You tell me that they have not made any request. We keep hearing about it. What is going on here?

MR. PLACKE. Well, sir, as I said earlier, it is an open secret that Jordan believes that its air defense systems are well below those of its potential adversaries. Looking at Syria, for example, the Syrian Air Force is vastly superior to that of Jordan. The Syrian air attack capabilities are a current threat to Jordan, and one that their present air defense systems would not be adequate to meet.

The question is probably more one of timing. As I noted earlier, there is, as we all recognize, a political environment or a political context that surrounds these kinds of questions. The need for an enhanced air defense system for Jordan is pressing, but until we receive a request from the Jordanian Government, we don't

have anything to deal with, and we are not in a position to address the question.

MR. HAMILTON. When do you anticipate getting the request?

MR. PLACKE. It is impossible to say, sir.

MR. HAMILTON. Is it related to a settlement in Lebanon?

MR. PLACKE. No, sir.

MR. HAMILTON. A troop withdrawal?

MR. PLACKE. I think it would be more in the course of decisions to be made by King Hussein in regard to his position on the Middle East peace process, recognizing that that certainly is an element in the environment in which that request will be received.

MR. HAMILTON. Are you saying to us, then, if the King enters the peace process, this administration is going to be receptive to a sale of these fancy things to Jordan?

MR. PLACKE. I think, sir, in all candor that the administration would support a request from Jordan for improvement of its air defenses whatever policies Jordan pursues so long as they are compatible with our general interests in the Middle East. With respect to Middle East peace, it is—

MR. HAMILTON. How could it be compatible if they don't join the peace process?

MR. PLACKE. I think, sir, so long as Jordan maintains its present posture of contributing to the general stability of the region—and it has done so, I think, in really dramatic ways for a sustained period of time.

MR. HAMILTON. So you think the administration will entertain favorably a request for F-16's, the Hawk missiles, and the Stinger missiles, and so forth, whether or not the King enters the peace process?

MR. PLACKE. I could not predict with that level of precision, but I think we would certainly examine very carefully and take a sympathetic approach toward Jordan's request. It would depend upon the size and the content of that request as to what the final determination would be.

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MR. WINN. Colonel, did you get those figures that I asked about? How many Soviet advisers are there in Jordan and what they are doing there?

COLONEL MCKALIP. I confirmed my understanding by looking at my statistics, and there are no Soviet advisers in Jordan at this time. I have to qualify that because I am sure you are aware that some months ago Jordan was reported to have entered into an agreement with the Soviet Union to provide certain air defense missile equipment.

To my knowledge this has not been delivered yet, but obviously, when it is delivered, there will have to be some sort of technical support as this is absorbed by the Jordanian forces. This would certainly bring into the country Soviet personnel, call them advisers, call them technicians, the label is open to debate.

We have expressed our concern about this, at least through Defense channels, and our counterparts have been very loud in assuring us that this is a onetime compartmentalized project and that they certainly have no intention of establishing a broad-ranged advisory relationship such as we have enjoyed between our two countries in the past and now enjoy.

MR. WINN. Doesn't the presence of the Soviet military advisers, or whatever they are going to be called, in Jordan enhance the risk of the security of the U.S. military equipment in Jordan's inventory, and wouldn't this place in risk the security of the F-16's if we sold them to them? It looks like we are a little inconsistent.

COLONEL MCKALIP. I don't think so, sir. I think that this argument can be made but it must be overemphasized. We also have confidence, particularly in the case of the Kingdom of Jordan, in their ability to provide adequate security for these various systems and to guard against the mixing which you suggest.

I would observe, having spent some time in Jordan, that they do have an especially competent military establishment. We have no reason to believe at this time that they would not be able to provide adequate security. I would also add that the ability to provide the security would be one of the considerations that we would examine if we were requested to make such a sale.

MR. WINN. What I am saying, and this is my last question, Mr. Chairman, or statement, I doubt very much that there are the votes in Congress to support a sale of the I-Hawk, or the F5-G, or the F-16 even. I am trying in my own mind to say that it looks to me like we are taking on another divisive military sale and another ugly fight similar to the AWACS battle.

I think that possibly rather than come up here with any more requests for controversial arms sales, that the administration would do better to expand its energies on the peace process.

MR. PLACKE. If I could respond to that, Congressman Winn.

MR. WINN. Certainly.

MR. PLACKE. I think we have to be careful to make a distinction between the request that the administration is proposing here, which is for modernization of largely ground forces and does not address this larger, more far-reaching and much more expensive question of modernizing Jordan's air defense systems and getting into a new air superiority fighter and so on. That is a question that we have not yet had to address, and it is difficult to predict when and in what form that might occur.

So far as the Soviet adviser issue that you raise, the technicians or whatever the appropriate term might be, it is my understanding that Jordan military personnel have gone to the Soviet Union to be trained on that system.

The system, as you will recall, was purchased because Jordan's assessment of its air defense requirements and our inability to respond to them in a way that was generally judged by military experts on both sides to be fully effective. They turned to the Soviets, therefore, as a second choice, perhaps as a choice of last resort.

Be that it as it may, the training that the Jordanian officers and NCO's receive in the Soviet Union, combined with relatively short-term and compartmentalized assistance in training on site, as it were, by the Soviet advisers yet to arrive in Jordan, altogether means a relatively short term, discrete, and contained program, certainly nothing near the scope of the assistance relationship that has existed bilaterally between us over such a long period of time.

I think it is entirely feasible to monitor that program to see that this is in fact the course that it takes, and to be fully aware of whatever risks there might be, which at the moment we think are minimal, to the integrity and security of our military systems.

It is a serious question that you raise. I think the answer is that the degree of likelihood that the Soviets can get into a position to seriously prejudice our interest in maintaining our security and military technology is a low risk at this point.

MR. WINN. I disagree with you. It looks to me like they are the 12th man in the huddle.

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MR. ZSCHAU. Last month a majority of Senators cosponsored a resolution[3] saying, roughly, that until King Hussein entered the peace process and ceased the purchase of Soviet arms, we should not sell any advanced weapons to Jordan. You have said, they have not requested those weapons, but this perhaps was in anticipation of a request.

Do you feel that that kind of action is helpful in motivating King Hussein to enter the peace process, or do you feel that that might be counterproductive?

MR. PLACKE. With due regard to that document, I think I would have to come down on the side of it being counterproductive for this reason: just as the conflict between the Arab States and Israel has a very long history, there is a long history of failed efforts by the United States, and indeed others, to bring about a resolution of that conflict.

When the President made his announcement on September 1 and laid out an American design or American principles for settlement, he did so mindful of the history that lies behind it. It has never

[3] Senate Resolution 72, introduced by Senator Edward M. Kennedy and 50 cosponsors on February 24, 1983, expressed the sense of the Senate that the United States should not sell advanced arms to Jordan as long as Jordan continued to oppose the Camp David peace process. Eight other Senators later added their names to the list of cosponsors. The resolution was referred to the Senate Foreign Relations Committee, which took no further action on it. For text, see *Congressional Record*, February 24, 1983, pp. S1630-S1631.

been done at that level by any American administration before, so it was a very substantial commitment.

What I am saying is that in light of the history of the last 35 years, it is not surprising that there is a certain reservation about how sustained an American initiative can be. I think that all of the states of the region are well aware that there are three equal branches to this Government and that they can look at this issue quite differently. But to the extent that there are questions raised which can cause doubts to exist, or encourage doubts, about the ability of the administration to maintain a coherent policy line on this critical issue, I think that is not constructive.

MR. ZSCHAU. As a final question, I would just like to ask, are you suggesting that since the timetable for King Hussein's decision seems to be so near, you were talking about the month of March, would you advise the Congress that we should avoid any actions at this time and allow the King to make his decision without the benefit of such carrots or sticks?

MR. PLACKE. If a benign political environment could prevail, I think that would certainly be helpful at this juncture.

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MR. LEVINE. Let me move to one other area. What is the purpose, in your opinion, in the eyes of Jordan of obtaining Soviet equipment and Soviet military assistance at this time?

MR. PLACKE. To recall that bit of history as best I can, Jordan's assessment, and one which I think our own military largely share, is that there is a pressing need for a vastly modernized and improved air defense.

MR. LEVINE. Their defense against whom?

MR. PLACKE. Their defense against, at this point, as we discussed earlier, Syria constituting the principal threat.

MR. LEVINE. Let me just interrupt you at this point. Why would the Soviet Union have an interest in giving Jordan assistance in improving its defense against Syria?

MR. PLACKE. It is not unique certainly in Soviet policy to come down on both sides of a conflict. They have done it again in the Iran/Iraq affair, for example. They have done it with respect to North and South Yemen. There they are supplying arms heavily to both sides, and you have Soviet tanks shooting at each other, and so forth. So that is not uncharacteristic of Soviet policy.

Why Jordan? I think the history of our own relationship with Jordan suggests at least part of the answer. Jordan and the United States have enjoyed a close and, I believe, quite productive security relationship contributing to stability throughout the region, and taking it outside of the context of just the states on its immediate borders, but looking toward the Gulf, the role that it played earlier in the Oman war, the advisers that it has made available to North Yemen, and so on. The Jordanian Army is a highly skilled, I think by all military judgments, fighting force—one of the best in the region—we benefit from its availability for security purposes that are consistent with our objectives.

This has been a very productive relationship over a long period of time. If an opportunity arises where the Soviets can insert themselves into that relationship, perhaps with the longer term hope of detracting from it or disrupting it in some way, clearly they would conceive that to be clearly in line with their interest.

MR. LEVINE. Do we do anything to discourage the Jordanians from seeking military assistance from the Soviet Union?

MR. PLACKE. Yes, sir. We raised with them our serious concerns about the implications of a security relationship, however limited it might be, along the lines of some of the earlier questions today, our necessary concern with the security of our military technology. They have explained to us that they can contain this, compartmentalize it, to a very limited relationship along the lines that I attempted to describe earlier this morning. I think we will be looking very carefully to see that that in fact is the way that things develop.

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I. Lebanon

Document 332

Transcript of an Interview With the Department of State Spokesman (Hughes), January 4, 1983 (Extracts) [1]

U.S. Decision To Remove the Marines From Lebanon

MR. SHERMAN. Mr. Hughes, why did the United States Marines leave Beirut when they did? [2]

MR. HUGHES. Well, I think that the President sent the Marines into Beirut to do a specific job. It was an honorable decision. I think it was based on principle and integrity. There was'nt any narrow gain in it for the United States. It was rather a selfless contribution. It was intended to—with the Italians and the French, to help restore peace to a country that had been terribly tortured, that had suffered bombing and seen hundreds of its people killed in Beirut; and the intent was to be a stabilizing factor.

At the time the President made the decision to withdraw those troops, it seemed from all the evidence available that they had done their job properly. The PLO departure operation had gone forward. More members of the PLO than anybody had thought were in Beirut had been evacuated. The departure operation had been undertaken in a shorter period than had been planned. There had been no violence.

We had seen a new President of Lebanon elected in a situation which seemed to be confused. The situation on the ground was peaceful. The Lebanese armed forces and the Lebanese police seemed to be taking hold, which was one of the goals that we had been working toward.

So, given the peaceful situation, given the situation as it existed on the ground and the best intelligence available to the administration, the decision was made to bring those Marines out. Of course, the President had said to Congress that they would be there for a maximum of 30 days, and they were brought out in less than the 30 days.

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MR. SHERMAN. The Ambassador from France to Lebanon and Yasser Arafat and the present Prime Minister of Lebanon and other diplomats all say that the United States pulled out too early.

What's your response?

MR. HUGHES. I suppose that—you know, in retrospect, in the light of the terrible tragedy that occurred in the two camps, [3] every man or woman of conscience or sensitivity has to ask himself or herself whether the United States could have done—or whether an individual, or whether the United States could have done anything differently that would have averted that tragedy. I suppose we can't really answer that question because it's a hypothetical one.

I guess the answer is that, given the conditions as they existed and that they were peaceful—given the fact that nobody could have foretold the assassination of Bashir Gemayel shortly after our Marines left and nobody could have foretold the events that were triggered by the assassination which included the invasion of West Beirut by the Israeli forces [4]—none of that could have been foreseen—I think that the decision that was made was made on the basis of the information that was available and was the nearest right that could have been made at that time.

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MR. SHERMAN. What about the guarantees that Philip Habib gave the Lebanese

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[1] Source: Department of State files. John Hughes was interviewed by Bill Sherman of ABC television beginning at 11:55 a.m.

[2] The U.S. Marines withdrew on September 10, 1982. They returned to their positions in Beirut on September 28.

[3] The reference is to the killing of a large number of Palestinian civilians at the Sabra and Shatila refugee camps between September 16 and 18, 1982.

[4] President-elect Gemayel was assassinated on September 14, 1982, and Israeli forces entered West Beirut that same day.

Government for the safety and security of the civilians in the Palestinian camps—guarantees he gave on August 17 and 18?

Were those guarantees fulfilled?

MR. HUGHES. They were guarantees based, as I said earlier, on assurances from the Israelis and assurances from various Lebanese factions that they would do two things.

One, that they would not interfere with the departure plan, which they did not. That went smoothly. And we think that implicit in those assurances was protection for the Palestinian civilians, noncombatants, who would be left behind.

We believed in those assurances. We took them in good faith, and we said that we would do our utmost to honor them. The assurances were overtaken by events over which we had no control. As I say, the assassination of a new President and the events that transpired after that, and the occupation of West Beirut by the Israelis.

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Document 333

Resolution 529 (1983), Adopted by the U.N. Security Council, January 18, 1983 [5]

Extension of UNIFIL's Mandate for Six Months

The Security Council,

Recalling its resolutions 425 (1978) and 426 (1978), [6] and all subsequent resolutions on the United Nations Interim Force in Lebanon,

Recalling further its resolutions 508 (1982) and 509 (1982), [7]

Having taken note of the letter of the Permanent Representative of Lebanon to the President of the Security Council and to the Secretary-General of 13 January 1983 (S/15557, annex), and of the statement he made at the meeting of the Council,

Having studied the report of the Secretary-General (S/15557) and taken note of his observations,

Responding to the request of the Government of Lebanon,

1. *Decides* to extend the present mandate of the United Nations Interim Force in Lebanon for a further interim period of six months, that is, until 19 July 1983;

2. *Calls upon* all parties concerned to cooperate with the United Nations Interim Force in Lebanon for the full implementation of this resolution;

3. *Requests* the Secretary-General to report to the Council on the progress made in this respect.

Document 334

Statement by the Deputy Representative at the United Nations (Lichenstein) Before the U.N. Security Council, January 18, 1983 [8]

"UNIFIL Can Be a Positive Element in Peace Negotiations"

Mr. President, the United States joined enthusiastically in the action of the Security Council today in extending, at the request of the Government of Lebanon, the mandate of UNIFIL for another 6 months. [9] The United States strongly supports the objectives of the Government of Lebanon—namely, to restore its sovereignty throughout its territory and to

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[5] Source: U.N. Security Council Resolution 529 (1983). The resolution was adopted by a vote of 13 to 3, with Poland and the Soviet Union abstaining.

[6] For texts, see, respectively, *American Foreign Policy: Basic Documents, 1977–1980*, p. 789, and Department of State *Bulletin*, May 1978, p. 51.

[7] For texts, see *American Foreign Policy: Current Documents, 1982*, pp. 803 and 805, respectively.

[8] Source: U.S. Mission to the United Nations Press Release USUN 02-(83), January 19, 1983.

[9] See *supra*.

secure the withdrawal of all external forces from Lebanon. Renewal of UNIFIL, in our judgment, tends to reaffirm international support for these goals.

The United States, moreover, believes that renewal of UNIFIL can be a positive element in the negotiations between the Government of Lebanon and other parties in the Middle East. These negotiations, in which the United States is playing an active part, are designed precisely to restore Lebanon's full sovereignty and territorial integrity and to prevent any repetition of the recent tragic conflict in a way that will assure peace and security for Lebanon and for all of its neighbors.

It is not yet possible to define with precision the role UNIFIL may be called on to play in the arrangements under negotiation. However, by acting to extend UNIFIL for 6 months the Security Council has wisely ensured that UNIFIL will be available to assist in the peace process.

I thank you, Mr. President.

Document 335

Transcript of a White House Press Briefing, January 27, 1983 (Extract) [10]

The Impasse Between Israel and Lebanon

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Q. Did President Reagan agree with President Mubarak that, as far as Lebanon is concerned, the prime onus is now on Israel? Or did President Reagan, as he seemed to suggest in his departure statement, [11] reiterate the view that it is really a concurrent, tripartite responsibility—Israel, the PLO, and the Syrians?

SENIOR ADMINISTRATION OFFICIAL. Let me answer it this way. I think President Reagan is very impatient with the lack of progress so far in the Lebanese situation, and wants to break this loose as soon as possible. In our view, the key to this is the current negotiations between the Israelis and the Lebanese. We believe that, once you get an agreed framework on the withdrawal of Israeli forces and it is clear they are going to withdraw, then you will be able to get the Syrians and the PLO to, also, agree to withdraw in that time frame.

I am not suggesting that there are not other discussions going on between the Lebanese and the Syrians, the Lebanese and the PLO, other Arabs and these people—because there are. But, clearly, in the President's view, the key is breaking the impasse between Israel and Lebanon at this time.

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Document 336

Transcript of a Press Conference by the Secretary of State (Shultz), January 30, 1983 (Extracts) [12]

Attempts To Bridge the Gap Between Israel and Lebanon

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SECRETARY SHULTZ. In Lebanon our objectives are clear, and so are the difficulties of attaining them, and at this point there is a pretty wide gap, I would say, between the conditions that Israel feels she needs in order to withdraw and the conditions that Lebanon feels are consistent with the emergence of a new Lebanon and as sovereign and in control of its territories and able to govern itself and develop

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[10] Source: Office of the Press Secretary to the President. The briefing, which was on President Mubarak's visit to Washington, was conducted on background in the Briefing Room of the White House by a senior administration official, beginning at 1:46 p.m.

[11] See document 311.

[12] Source: Department of State Press Release 28, January 31, 1983; also printed in Department of State *Bulletin*, March 1983, pp. 42–43. For the full text of the press conference, see *ibid.*, pp. 40–44. The Secretary conducted the press conference while en route to Tokyo, Japan. He returned to Washington on February 10, 1983.

its relationships in the region. So there are some big gaps there.

The problems of securing the complete withdrawal of the Syrian and PLO forces we have confronted, in a sense to the extent that you can confront them at the moment, that is the Syrians say they will withdraw when the Israelis withdraw. I think we also have good grounds to believe that the PLO will go with the Syrians or will withdraw as the Syrians withdraw.

Q. (Inaudible)

SECRETARY SHULTZ. It's for that reason, I guess, that it appears as though our efforts are more directed toward the Israeli-Lebanon dimensions than they are the Lebanon-PLO dimension because it takes a plan for Israeli withdrawal to provide the acid test of the Syrian statements. So we are in the midst of the kind of a process, and I wish I could report that there were breakthroughs in the offing. I'm sure there are, but I can't identify them. (Laughter)

Q. Mr. Secretary, do you believe the conditions are such that the Israelis could safely withdraw now? You say they don't seem to believe so at this point?

SECRETARY SHULTZ. What I said was that the conditions that they have put forward are quite different from the conditions that the Lebanese seem to be ready to accept, so there is a gap there that has to be worked on by both parties. In the end, of course, people have to be their own judges of what their security demands, but of course, we have our opinions also and we're in with them.

Q. What is your analysis?

SECRETARY SHULTZ. I believe there is a genuine convergence of views on finding appropriate security arrangements for southern Lebanon so that you have a real insurance policy that the geographic area doesn't become the base for attacks on Israel. That is accepted as a legitimate objective. So the question is what does it take to do that and how do you do that, and not whether it should be done. My own opinion is that it can be done, and it ought to be possible to do it consistent with appropriate sovereignty for Lebanon. But I am not able just to write out the ticket and hand it to people, and there is a big difference of view about what is necessary. Beyond that are the issues surrounding so-called normalization, and that's a different kind of an issue entirely and was not part of the announced rationale for going into Lebanon in the first place, but nevertheless, is an objective. I would say from the United States point of view that, of course, we believe that the desirable objective is peace among Israel and all of her neighbors.

To that extent, I think the basic peace process involving not only Israel's security but the legitimate concerns and rights of the Palestinians is in the deepest sense at the heart of the security issues because if that can be resolved in a satisfying way, then the tension of the sort of militarily-oriented security arrangements is much less.

So this always takes me in my thinking back to the basic Camp David September 1st President's proposals as really the core of the issues to be resolved.

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Q. I take it from what you have said you're not one of those who think the solution is leveling the boom on Israel?

SECRETARY SHULTZ. Well, I don't think that forcing people to do things that they believe is against their interest produces lasting solutions to the problems. I don't think it will produce a lasting solution for Israel to force Lebanon to do something that Lebanon feels deeply is not in their interest. By the same token, I think you apply that to any important party in a negotiation, so obviously negotiations are surrounded by an environment of pressures and considerations and arguments, and I don't deem that negotiations are abstracted from that, but just trying to push people around all the time, I don't think, is the way. You might get a solution but it wouldn't necessarily be lasting.

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Document 337

Testimony by the Assistant Secretary of State for Near Eastern and South Asian Affairs (Veliotes) Before a Subcommittee of the House Foreign Affairs Committee, February 2, 1983 (Extract) [13]

"The Key Question Is Security Not Normalization"

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MR. LANTOS. Why do we seem to be critical of policies for normalization of relations between Lebanon and Israel?

MR. VELIOTES. I would like to address this. I do not accept the premise of the question. We have said publicly and privately that we not only favor normalization of relations, but we favor peace treaties between Israel and all of its Arab neighbors, and everyone else with whom Israel may formally be at a state of war, and with whom it does not have normal relations in that area. That includes Lebanon.

The question has not been that. The question has been judgments as to what is possible in the short-term, which is taking, must take into account, above all, Lebanese judgments of what is possible, given their own internal issues and Lebanon's relations and, frankly, economic dependence on the Arab world.

Now, there has been a lot of rhetoric flowing around that somehow there were agreements that had been achieved between Israel and Lebanon that did not happen to be agreements when it came down to them.[14] There were some who said fact that what people claim had been achieved really hadn't been achieved was due to the Americans.

Now, I don't believe there are many people gullible enough or stupid enough to swallow that line, and I know that wasn't the implication of your question, sir. The problems are in the Lebanese making judgments as to what it is that they can sustain.

Now, this Government of Lebanon is clearly on the record as wanting good relations with Israel, frankly wanting friendly relations with Israel. There is no hostile intent whatsoever. It is thoroughly prepared to consider effective security arrangements on its own territory, to preclude the buildup of any hostile element in the south or anywhere else in Lebanon, because anyone who comes into Lebanon to threaten Israel is also threatening the Lebanese, and that specifically includes the PLO.

They are meeting, as I mentioned earlier. There are no secrets. They are not hiding in closets. They are meeting openly in Israel and in Lebanon, talking about a whole variety of issues, including the framework for future relations, and the Lebanese in my judgment have to be the ones who make the controlling judgment on what it is they can do at any point in time.

Now, I should say that some people are accusing the Americans of playing a negative role with respect to Israel's aims in Lebanon. There are others, radical Arabs, accusing us of being Zionist tools in the negotiations. That usually suggests we are doing some good things, if we are in the middle of these two extremes, and we are.

It gets to the question of security, Mr. Lantos. The Lebanese, if they cede the things that they believe are going to destroy their internal consensus, that is going to lead to instability, not stability. Or if they cede things that are going to dramatically affect their economic well-being and their hopes for reconstruction and prosperity, that is going to lead to instability, and I think instability in Lebanon is certainly not in the security interests of Israel.

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[13] Source: *Developments in the Middle East, February 1983: Hearing Before the Subcommittee on Europe and the Middle East of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 7–8.

[14] On December 17, 1982, Israeli Defense Minister Ariel Sharon claimed that he had held secret negotiations with the Lebanese that could eventuate in the normalization of relations between Israel and Lebanon.

Document 338

Transcript of a Press Conference by President Reagan, February 4, 1983 (Extract) [15]

Incidents Between U.S. Marines and Israelis

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Q. Mr. President, can you give us your own reaction to the half dozen incidents that have occurred between our Marines and the Israelis in Lebanon? And could you also respond to this growing feeling that the Marines are in there for a longer stay than we initially thought. Some people are now talking about the possibility that the Marines may be there for another year.

THE PRESIDENT. I can't set any time limit on it. We're trying to expedite the departure from Lebanon of all the foreign forces in there. These incidents are the type of thing that can happen, and the best answer to them is for the Israelis, the Syrians and what remnants of the PLO there are, to go back beyond their own borders. The multinational forces were put in there at the request of the Lebanese government, while they tried to establish stability in their own country.

And this is evidence of it, the fact that where the multinational forces are carrying out their purpose, these repeated efforts to go through their lines and do what has been agreed that they will not do. And I think our forces are behaving very well.

Sam? [16]

Q. Sir, I'd like to follow up on that. Did the Marine captain do the right thing? Were the Israelis trying to penetrate a place where they should not have? And, I guess more importantly, do we now have assurances from Israel that it won't happen again?

THE PRESIDENT. We do have such assurances. And I must say that, yes, the same unit and the same commander had tried three times at this same point. [17] And, in my view, the Marine officer did the only thing that he could do.

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Document 339

Transcript of an Interview With President Reagan, February 7, 1983 (Extract) [18]

Israel Is "Technically in the Position of an Occupying Force" in Lebanon

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Q. —ask you about your relationship with Mr. Begin? (Laughter) There is—settlements proceeding apace on the West Bank. There's tension between our forces and Israeli forces in Beirut. And I'm wondering if the Reagan plan is falling on totally deaf ears as far as Mr. Begin is concerned. Is your relationship—has your relationship improved at all?

THE PRESIDENT. I don't think that it is—it is as strange as some would have you believe. I think. I think that we've established quite a personal bond on his visits here.

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[15] Source: White House Press Release, February 4, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, February 7, 1983, p. 187. For full text of the press conference, see *ibid.*, pp. 185–190. The President met with reporters in the Briefing Room of the White House beginning at 10:48 a.m.

[16] Sam Donaldson, ABC News. Bracketed addition *ibid.*, p. 187.

[17] On February 2, Marine Captain Charles B. Johnson drew his sidearm to prevent three Israeli tanks from penetrating his position.

[18] Source: White House Press Release, February 7, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, February 14, 1983, p. 200. For full text of the interview, see *ibid.*, pp. 197–203. The President met with Washington television anchors in the Roosevelt Room of the White House beginning at 11:50 a.m.

It's true we disagree on this particular issue about getting out of Lebanon because we know that in our efforts to try and bring the Arab States around to the position that Egypt once took so that they can make peace with Israel.

We have to be careful. And one of the big contentions is the withdrawal of all foreign forces from Lebanon. And Israel is delaying, we believe, unnecessarily in that. So Phil Habib has gone back again and—with a proposal and a plan. And we're hopeful that they finally will because the Arab nations are holding back and are reluctant unless they see this kind of gesture of good will.

Also, I think that there's a certain moral point that we think the Israelis are neglecting or not observing. And that is the new Government of Lebanon, after all these years of revolution and upheaval, has asked all the foreign forces to leave. For them not to leave now puts them technically in the position of an occupying force, that they are there by force in this country that has said to them, "We now want you to depart."

So we're going to continue trying to bring this peace movement on. But we don't believe that we can move to the actual peace negotiations in the Middle East until the Lebanon situation is clearer. And I personally have believed that if this requires even an increase in the Multinational Force for further stability that we should be willing to do that.

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Document 340

Prepared Statement and Testimony by the Secretary of State (Shultz) Before the House Foreign Affairs Committee, February 16, 1983 (Extracts) [19]

Lebanon: "A Country Torn Asunder"

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Our objective in Lebanon is straightforward. We seek to restore Lebanese sovereignty and insure Israeli security. These objectives are two sides of the same coin. The threat to Israel does not come from the Lebanese people but from foreign forces that have usurped Lebanese sovereignty and are still camped on Lebanese soil. It follows that a peaceful Lebanon, free of all foreign forces and sovereign over all its territory, will make a major contribution to Israeli security.

We are currently engaged in diplomatic efforts seeking the withdrawal of external military forces and the restoration of Lebanese authority over its territory. At the same time, it is vital that the Government of Lebanon, weakened by years of civil strife, the inability to collect normal governmental revenues, and the lack of normal governmental services, be assisted in revitalizing itself. The financial situation of the government is precarious. It cannot move ahead with the reconstruction of the country without outside assistance. The United States can and must join with other nations in that effort. Both military and economic assistance are needed.

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MR. WEISS. I would like to ask you, the one question I have, about what seems to me to be an orchestration of criticism from various quarters of this administration aimed at Israel, as if, in fact, Israel were the sole block toward a settlement of the situation in Lebanon. I saw that the

[19] Source: *Foreign Assistance Legislation for Fiscal Years 1984–85: Hearings Before the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1984), Part 1, pp. 107–108, 144–147.

Syrians and the PLO have indicated they are ready to move out simultaneously. I would like to have you give us some specifics as to when and who said that. I know the Israelis have said it publicly. I have not seen anything from the Syrians or the PLO. I note that Secretary Weinberger took a situation which almost ended in a tragedy, to a great extent if not totally, because of his refusal to allow lines of communication between our forces and the Israeli forces, blown up as if it, in fact, was the Israelis' fault, when the facts seem to indicate our people didn't have clear direction as to where the line of demarcation was. I would like your comments as to whether there is a policy on the part of the administration to lay the blame on the shoulders of the Israelis exclusively.

SECRETARY SHULTZ. The policy of the administration is to support our friend, Israel, in its efforts to security and to do everything we can to help bring peace in the Middle East. The administration's program, as presented to you in the material that is before you, is a very strong and supportive program, and the speech that the President made on September 1 [20] goes to extraordinary lengths to recognize the importance of the security of Israel. There isn't any ambiguity about it whatever. Insofar as the undertakings of the PLO and Syria are concerned to leave Lebanon, we don't deal directly with the PLO, so any comments made by them come to us second hand, through the Government of Lebanon, or somebody else who is in contact with them.

As far as Syria is concerned, the statement you quoted has been made to me by the Foreign Minister of Syria, but more recently, of course, that is what they have told the Government of Lebanon.

Now, at this point their statement, they can just make the statement—you don't have any way of testing it out until you have a plan for the withdrawal of Israel.

MR. WEISS. Why not have simultaneous concessions—

SECRETARY SHULTZ. Wait. Let me answer the question. So naturally the concerns of Israel about her security which prompted their movement into Lebanon in the first place are matters that have to be taken and taken carefully and seriously. And so that effort in connection with the program of withdrawal is underway, attention is being paid to that, because that is the process that is before us right now. And I believe that most people involved are impatient, for good reason. The country of Lebanon is a country that has been torn up by the inability of all parties to produce any reasonable peace in the Middle East, and particularly the issues surrounding the Palestinians have been apparently impossible to address. They have caused Lebanon to be a country torn asunder. Lebanon has to put itself back together again. It has its maximum chance when the war stops to do that. The longer things drag on, the greater the difficulty. So I think there is a real importance to some speed in that regard.

I am sure the Israelis feel it. We feel it. The Lebanese feel it. And others in the region do. So this expression of impatience is universally felt, it is not anti-Israel. It is pro getting the matter settled.

. . . . . .

MR. HYDE. You don't see a double standard operative in requiring the President to certify that progress is made in human rights conditions in one country, say El Salvador, but over in Lebanon, where 438 people we know were killed in a massacre, 900 people are missing, and nobody is going to go to trial anywhere in Lebanon, the Phalangists, nobody is pursuing who did the killing, the identity of these people, who was in command of them. It just seems to me enormous human rights violations have occurred there, but we are not going to require any certification that human rights conditions are improving in Lebanon as a condition precedent to sending over $1.3 or $1.4 billion. And I see that as a double standard.

SECRETARY SHULTZ. Poor Lebanon. Lebanon has been destroyed almost by problems that did not originate in Lebanon. They have a big Palestinian population in Lebanon. They became the headquarters for the PLO which created a Government within the country and contributed tremendously to the ripping up of that society. My heart bleeds for Lebanon. I think Lebanon, of all countries in this world, deserves all the help and support it can get because it has suffered by our inability

[20] See *American Foreign Policy: Current Documents, 1982*, p. 753.

to come to grips adequately with these other problems.

Now, Lebanon has plenty of problems of its own in composing its own confessional groups, and, of course, the massacre that you referred to has a relationship to that. Does anybody feel a sense of the humanity and the shame connected with those massacres? I am sure they do. We have had an exhibition of a democratic government in Israel undertaking a thorough investigation, having the report of the investigation come out, having it acted upon by the Government. [21] Personally, I found that extremely impressive. But the sense of remorse must be very widespread. Personally, I feel it, because we were involved, in the United States, in undertakings when the first Beirut settlement was put forward. I think we behaved properly throughout. I think we took our forces out when we should have. There was stability there.

Nevertheless, these events took place. And I would think people throughout the world would feel some remorse about them, including you.

MR. HYDE. I feel more than remorse. I feel guilty at our guaranteeing the safety of those people in those examples.

SECRETARY SHULTZ. We didn't guarantee their safety. What we did was transmit a statement made by the Government of Israel.

MR. HYDE. Which guaranteed their safety.

SECRETARY SHULTZ. Which made certain undertakings.

MR. HYDE. If I may just say—

SECRETARY SHULTZ. Governments cannot control everything. We have to remember that.

MR. HYDE. Please understand me. I am not advocating a different standard for Lebanon. I am admonishing Congress for imposing formal requirements in certain parts of the world and being very informal in human rights concerns in others. It is Congress' double standard, not the administration.

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Document 341

Transcript of an Interview With President Reagan, February 23, 1983 (Extracts) [22]

Israeli Withdrawal As a Necessary Step to Peace and Security

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Q. Mr. President, Rick Smith, the *New York Times*. You said yesterday in your speech that your government was prepared to do everything that was necessary to help secure Israel's northern frontier. [23] What does that mean, Mr. Presi-

[21] On February 7, the Final Report of the Commission of Inquiry Into the Events at the Refugee Camps in Beirut was submitted to the Israeli Government by Commission chairman, Justice Yitzhak Kahan, and the other two members of the Commission, Justice Aharon Barak and Major General Yona Efrat. The Commission concluded that Israel was not directly responsible for the deaths at the camps, but bore indirect responsibility for what took place there. The Report called for the resignations of Defense Minister Ariel Sharon and Director of Military Intelligence Major General Yehoshua Saguy, and indicated that it might have called for Chief of Staff Lieutenant General Rafael Eitan's resignation, if he was not due to retire in 2 months. The Israeli Cabinet accepted the findings and Sharon subsequently stepped down as Defense Minister on February 17, but he remained in the Cabinet as a Minister Without Portfolio. For extracts from the authorized translation of the Report, see *New York Times*, February 9, 1983, pp. A18–A20.

[22] Source: White House Press Release, February 23, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, February 28, 1983, pp. 279–280, 285. For the full text of the interview, see *ibid.*, pp. 279–290. The question-and-answer session took place in the State Dining Room of the White House where the President hosted the 17th anniversary of the weekly sessions begun by Godfrey Sperling, Jr., of the *Christian Science Monitor*, to bring Washington officials and journalists together for exchanges on current issues.

[23] The reference is to the President's remarks at the 23d Annual Washington Conference of the American Legion. See *Weekly Compilation of Presidential Documents*, February 28, 1983, p. 275.

dent? Does that involve putting American Marines or troops down in Southern Lebanon to police that area? Or does that involve some kind of international arrangement? Did you have specific ideas in mind?

THE PRESIDENT. Yes. This is not anything different than has been said before by me and by several Presidents before me, that this country has always maintained that it has an obligation to the security of Israel.

But in this particular instance, I was answering the question. And I thought I made it plain that I was talking about with the withdrawal—that in the aftermath of that withdrawal, we were prepared to guarantee their safety on the northern border.

Let me recall to you that that was the reason for the invasion in the first place, that there was shelling and rocketing across that border, taking its toll of casualties in Israel. And our idea of trying to settle the Lebanon thing before we get into the actual peace negotiations, I think, is a sound one after all the years of disruption there, to give the Government of Lebanon a chance to stabilize its country and assume its control and sovereignty over its own territory.

Now in that instance, I have already said that we in consultation with our allies in the Multinational Force would be prepared until Lebanon was actually stabilized and able to guarantee this safety we would be willing to enlarge the Multinational Forces. This is, of course, in consultation with our allies as I said before and, thus, ensure the safety of those borders until this process is completed, until Lebanon is ready to take over the protection of its own borders.

And so there is not anything new in that. And I was a little surprised at the wind that started blowing after I said it.

Q. How much of an enlargement of forces do you have in mind, sir?

THE PRESIDENT. What?

Q. How much enlargement of the Multinational Force do you have in mind?

THE PRESIDENT. Actually, we have not dealt in figures yet. That would, I think, have to follow a military review of what the responsibilities would be.

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Q. [Jack Nelson of *The Los Angeles Times*] Mr. Arens suggested, Mr. President, that there should be no timetable on withdrawal of troops. Do you agree with that?

THE PRESIDENT. No, I don't agree. I think time is not on our side in this. And I believe there's no reason why with the proposals that we've made that the PLO remnants that are still in Lebanon, the Syrians and the Israelis, why they can't get out of that country—of Lebanon, and let the Lebanese Government try to re-establish itself and establish sovereignty over its own land.

Q. One more time. Do you think this should be done, in other words, before a peace treaty is reached between Israel and Lebanon? And do you think there should be a specific deadline that you might mention?

THE PRESIDENT. I think that to wait for a peace treaty for the withdrawal of forces is wrong. And I think that that can come about and I think full normalization. I think there can be an agreement, an informal agreement there about what they're going to do with regard to withdrawal and the terms of the border and, as I say, our own willingness then to help in ensuring that there can't be incidents across that border is enough. And then settle down to the business of full, formal normalization with Lebanon.

But the longer we delay in this, the more we endanger the possibility of moving on into the general peace discussions.

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Document 342

Letter From the Assistant Secretary of State for Congressional Relations (Moore) to Representative Ike Skelton, March 1, 1983 [24]

No U.S. Armed Forces Involvement in Hostilities

DEAR MR. SKELTON: Your letter of February 10 to President Reagan has been referred to me for reply. I appreciate your concern for the well-being of our Marine personnel serving with the Multinational Force (MNF) in Lebanon. The U.S. Marines are in Lebanon for the specific purpose of assisting the Lebanese Government to reassert its authority and control of its sovereign territory. Strengthening the central government of Lebanon is an important step which will facilitate the withdrawal of all foreign forces from Lebanon. The U.S. contingent to the MNF is a critical element in the restoration of peace and security to the capital city of Beirut. The U.S. role is an essential contribution toward a successful conclusion of the current negotiation efforts between Israel and Lebanon. As you know, Ambassadors Habib and Draper have been in Lebanon and Israel almost constantly for several months now as personal envoys of the President in an effort to lend our support to these important negotiations.

I can assure you that we are not unmindful of the continuing need to consult with the Congress on U.S. involvement in Lebanon and the Middle East situation in general. We have made a concerted effort to keep the Congress informed in a manner which I believe exceeds any requirement inherent in the War Powers Resolution. [25]

In response to your specific questions, I would like to make clear that we certainly do not discount the danger inherent in any U.S. presence in Lebanon. However, as the President's report to the Congress under the War Powers Resolution stated, [26] there was no intention or expectation that U.S. Armed Forces would become involved in hostilities. This remains the situation at this time. All parties involved clearly understand the guidelines under which the MNF was provided to assist the Government of Lebanon. With the MNF in Lebanon, there is additional assurance that hostilities will not resume.

The U.S. Marines are in Lebanon for a limited period of time. We do not envision an open-ended commitment. The U.S. component of the MNF will depart Lebanon as soon as the objectives of the MNF are achieved.

I hope this information is helpful.

With cordial regards,

Sincerely,

POWELL A. MOORE

Document 343

Statement by the Assistant Secretary of State for Near Eastern and South Asian Affairs (Veliotes) Before a Subcommittee of the House Foreign Affairs Committee, March 9, 1983 [27]

Economic and Security Assistance For Lebanon

I welcome this opportunity to appear again before the subcommittee in support of the administration's supplemental foreign assistance request for Lebanon in fiscal year 1983. I have submitted a statement. There are some minor changes on page 5 and page 7. I will quickly summarize them, and I will also make sure I focus on those changes so all members of the subcommittee will have the language.

The $150 million in economic support funds, $100 million in foreign military

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[24] Source: *Congressional Record*, September 28, 1983, pp. H7602–H7603. Representative Skelton was a member of the House Armed Services Committee.

[25] The reference is to P.L. 93–148, adopted over President Richard Nixon's veto on November 7, 1973. For text, see 87 Stat. 555.

[26] For text of the President's report of September 29, 1982, see *American Foreign Policy: Current Documents, 1982*, p. 871.

[27] Source: *Foreign Assistance Legislation for Fiscal Years 1984–85: Hearings and Markup Before the Subcommittee on Europe and the Middle East of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), Part 3, pp. 96–99.

sales guarantees, and $1 million in IMET funds we requested are needed now to begin urgent projects which cannot await the normal fiscal year 1984 appropriations cycle.

Lebanon endured nearly 8 years of brutal civil war followed by the Israeli invasion. During the period, the agony of Lebanon and its residents, as measured in human as well as physical terms, has been enormous. Although the major hostilities are over, the scars of the constant bloodletting and physical destruction are very vivid, and today the agony goes on in the form of the continued military occupation of most of Lebanon by the Israel Defense Forces, the Syrian Army, armed PLO elements, and other armed foreigners. The Lebanese Armed Forces, the legitimate military arm of the Lebanese Government, control only the capital city of Beirut.

Lebanese has been the victim over the years of a violent cycle of action and reaction and PLO attacks against Israel and Israeli retaliation. There can be no repeat of this unhappy history. It is necessary for the Lebanese Armed Forces to be the only armed force in Lebanon. It must be sufficiently strong to control effectively its borders and prevent outside armed groups from reentering the country. It must be equipped and trained to insure that Lebanon never again becomes the battleground for outside contending forces.

The United States fully supports the territorial integrity, unity, and sovereignty of Lebanon, which we believe is consistent with, indeed the prerequisite for, the long-term security of Israel's northern border.

The funds we are requesting will finance programs in Lebanon designed to help rebuild the economic and security infrastructure of that war-ravaged country, by providing the Government with the resources necessary to reestablish its sovereign authority throughout the country.

The ability of the Lebanese Government under President Gemayel to restore essential government services and maintain security is crucial to building a national consensus which will strengthen the Government's ability to negotiate the departure from Lebanon of all foreign forces. The departure of those forces is of vital importance to our purposes, both in Lebanon and with regard to the Middle East peace process.

A stable, reconstructed Lebanon, free from all foreign forces and with a strengthened Central Government exercising sovereign control over all of its territories, is a most worthy goal on its own merits. Such a Lebanon will also make a major contribution to the security of Israel's northern border.

Finally, this Lebanon, enjoying good relations with its neighbors, will give a stimulus to the broad peace process. For these reasons, it is critically important for us now to demonstrate in a concrete way the U.S. commitment to Lebanon's reconstruction and restoration as a sovereign and independent nation.

Lebanon and Israel are currently conducting direct, intense negotiations with our participation and support. Many exceedingly difficult problems remain, but the United States is working closely with both sides to help them reach a compromise which will satisfy the major issues of sovereignty and security.

When this occurs and when all foreign forces withdraw from Lebanon, we fully expect a resurgence of confidence among both Lebanese and foreign private investors, who will then start to play a major role in the reconstruction of Lebanon.

Reconstruction of infrastructure is urgent. The economy remains a shambles. Basic infrastructure is destroyed or deteriorated. The Government cannot provide much in the way of basic services outside Beirut and entrepreneurs are afraid to invest in reconstruction until they see positive signs of improvement.

The Government of Lebanon will need a great deal of assistance to accomplish the tasks before it. U.S. assistance alone will not suffice. Multinational agencies and other nations must also help, and indeed have already indicated to us their willingness to do so. They are all waiting, however, for the political and security situation to improve, and of course for the longer term stability that would be provided by the complete withdrawal of foreign forces. Their very waiting, however, is contributing to the fact that, other than the very significant restoration of security in Beirut, progress is limited.

The ESF funds will be used primarily to rehabilitate and reconstruct basic infrastructure, such as potable water systems,

telecommunications, and public health services.

The FMS program will be supported by the slightly increased IMET program, military training program, which will improve overall training of the Lebanese Armed Forces. Equipment and training needs of these forces, while urgent, are paced by the availability of military manpower. FMS and IMET funds sought in the supplemental are matched to the ability of the Lebanese Armed Forces to absorb them. Lower FMS and IMET levels of $15 million and $750,000, respectively, are sought in fiscal year 1984 because all of the equipment for the LAF buildup should have been ordered by then.

Thus, to an extent Lebanon is caught in a vicious circle of inaction. The United States is taking steps to help break this vicious cycle. We are strengthening the military forces of the Government of Lebanon by providing equipment and training. Already, this assistance has had a notable effect.

The Lebanese Armed Forces are now in full control of Beirut, a city which contains over one-third of the population of Lebanon. No longer are armed militiamen or PLO fighters seen in the streets. This provides a highly visible political signal of the expanding ability of the Government of Lebanon to exercise sovereignty and to provide security.

In recent days, the Government has also taken over a portion of the Port of Beirut which had long been illegally operated by a private militia. Government forces are now in control of the administration of the entire port. Currently, the entire capital city of Beirut is enjoying peace for the first time in years. That is only the beginning, but the restoration of central institutions in Beirut is a model which we want to see expanded countrywide and which we believe can be.

However, these are only initial efforts and the overall security needs of that war-torn country require our urgent attention. By assisting the Lebanese Armed Forces to increase its capability, we are helping the Central Government reassert and extend its authority throughout the country. The expected increase in the size and effectiveness of the LAF forces in maintaining security will permit the withdrawal of the Multinational Forces.

We are talking about a LAF structure of some 20,000 personnel, which requires a great deal of equipment to provide for national security. We have nearly completed a program to make four brigades capable of performing this mission. In the next phase we plan to equip another brigade and further enhance the effectiveness of one of the original four brigades. This supplemental funds additional equipment and training for two more brigades. That would in effect, give Lebanon seven equipped brigades, an ideal long-term goal. But the Lebanese Armed Forces are ready now to take on new missions and put to use the new equipment and training they are receiving.

We know that the members of the subcommittee are interested in knowing how long the Multinational Forces will have to remain in Lebanon to bolster the security role of the Lebanese Armed Forces. I cannot today give you an exact date. But it is our intention to phase out the multinational presence just as soon as the evacuation of Syrian, Israeli, and Palestinian forces is complete and the Lebanese Army is able to do its job countrywide. The success of the military assistance program we are describing today will directly contribute to that goal.

As a result of technical assistance and infusions of modest but critical amounts of material assistance from the United States the Government of Lebanon is beginning to improve its organization, throw off the torpor induced by years of civil conflict, and gear up to rehabilitate and reconstruct basic infrastructure in order to get the economy moving.

In Lebanon, as anywhere, perceptions are important. As other donor organizations, such as the World Bank, and other donor countries perceive that some progress is being made, there will be a bandwagon effect. Some other donors have already agreed to participate in the reconstruction effort, but much more will be needed.

The funds which the United States contributes to this reconstruction effort, small in terms of total needs, will allow vital reconstruction to get started now, at a time when others are watching and waiting. Once this effort begins, we fully expect it will attract funds from other donors, funds which will carry the rehabilitation through to completion.

To conclude, Mr. Chairman,[28] even while the United States is currently working with the Government of Lebanon in an effort to obtain the departure of all foreign forces, critical projects for reconstruction and reequipping the Lebanese Armed Forces have begun. This is not lost upon the Lebanese Government or the people of Lebanon, who look to the United States as their principal friend during this most difficult time.

The actions which the United States takes in Lebanon this year and next will benefit not only Lebanon but the entire Middle East for years to come. We cannot overemphasize the impact that our programs in Lebanon will have upon our efforts to obtain a just and lasting peace for all countries in this important region.

Thank you, Mr. Chairman.

Document 344

Letter From the Commandant of the U.S. Marine Corps (Barrow) to the Secretary of Defense (Weinberger), March 14, 1983[29]

Marine Corps Commandant's Concern Over Incidents With Israeli Defense Forces

DEAR MR. SECRETARY: I must formally register my deep concern over the two unprovoked incidents in Beirut of this past weekend involving Marines of the Multinational Force and members of the Israeli Defense Forces. I had considered commenting on earlier incidents between Marines and the IDF but corrective measures, which were rapidly implemented in February 1983, appeared to defuse the situation. I can no longer remain silent on this continual problem of provocation from the IDF.

In addition to the U.S. MNF incidents, I have received information concerning serious harassing incidents by the IDF of U.S. officers attached to the United Nations Truce Supervisory Organization (UNTSO). These particular incidents involved USMC and USA officers in life-threatening situations, replete with verbal degradation of the officers, their uniform and country. Unfortunately, and of greater concern to me, incidents of this nature are the rule, rather than the exception.

It is evident to me, and the opinion of the U.S. Commanders afloat and ashore, that the incidents between the Marines and the IDF are timed, orchestrated, and executed for obtuse Israeli political purposes. The U.S. has been prompt and forthcoming in defusing previous problems and has established a viable communications procedure between the Marines and IDF. The IDF, however, persists in creating serious incidents.

I am distinctly proud to have Marines participating both as members of the Multinational Force and with UNTSO under the auspices of the United Nations. It is inconceivable to me why Americans—serving in peacekeeping roles—must be harassed, endangered, and degraded by an ally.

Previous demarches and diplomatic initiatives have not eliminated difficulties between our Marines and the IDF. Additionally, the expansion of communications links and the use of Liaison Officers will not preclude additional problems, unless the attitude and actions of the Israelis are altered. It is time for firm and strong action, to demonstrate to the Israelis that a role as a peacekeeper does not presume weakness. If anything, the Israelis should respect our efforts in this region.

Warm personal regards.

Sincerely,

BOB

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[28] Representative Lee H. Hamilton.

[29] Source: Department of Defense files.

Document 345

Transcript of a Department of State Press Briefing, March 15, 1983 (Extract) [30]

U.S. Policy Objectives in Lebanon

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SENIOR STATE DEPARTMENT OFFICIAL. . . . Let me reiterate for you briefly our policy objectives which were first outlined last fall by the President. They are the guiding principles in the negotiations that Ambassadors Habib and Draper have been conducting these past months, and they are central to the discussions we are holding with the two delegations here: [31]

One, the withdrawal of all foreign forces—Israeli, Syrian, PLO, Iranian, you name them. All armed elements remaining in Lebanon must be subject to the control of the Central Government, and this includes the militia forces in the south.

Second, arrangements to secure the security of Israel's northern border; third, the restoration and reenforcement of a stable Central Government in Lebanon, the extension of Lebanese sovereignty throughout its territory, and the unity of that territory.

Then, of course, subsumed under all of these are arrangements to assure the security of all of the residents of Lebanon, including the Palestinians.

While many issues have been dealt with and agreement has been reached in the course of the negotiations, we are now at the point of addressing the remaining core issues. It is essential that momentum is not lost in the timetable for the withdrawal of all foreign forces from Lebanon be worked out as soon as possible.

I have mentioned the President's personal involvement and his commitment through his meetings with the Foreign Ministers. In addition, Secretary Shultz has been conferring with and briefing the President throughout the visit of these two Foreign Ministers.

Once an agreement has been reached for the withdrawal of all foreign troops, it will be clearer to what extent an international presence is needed to assist the Lebanese armed forces. I should say it would be clearer as to the nature of the international assistance, because I think it's clear that there will be a need for some time.

We continue to see an important role for the 6,000 UNIFIL troops currently in Lebanon. There is also a need for the Multinational Force. The objectives of this force would be to facilitate the withdrawal process and to assist the Lebanese Central Government in reestablishing its control throughout Lebanon. These details will be worked out.

The security of Israel's northern border is a hallmark of U.S. policy. The United States will do all it can to assure that an agreement is reached which will preclude a return to a situation in which hostile acts can be perpetrated on Israel across its northern border from Lebanon.

Israel has pressed its case for full normalization of relations with Lebanon. This is the second part of the discussion, the first part being the security issue. That is a worthy goal, and one we readily share.

We will continue to strive to see full peace, security, and normal relations between Israel and each of her neighbors, as we seek to resolve the Palestinian problem. This is the basic message in the proposals outlined in the President's initiative on September 1.

At present, progress towards this goal, full normalization and full peace with Lebanon, must be conditioned by Lebanese judgments of what is possible, consistent with Lebanese needs for internal stability and political consensus, as well as the essential relations with the other Arab countries. A stable, secure, and free Lebanon would be an historic achievement for the area, for Lebanon, for Israel, and for the world. A Lebanon beset by strife, living

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[30] Source: Department of State files. The briefing was conducted on background by a senior administration official beginning at 4:09 p.m.

[31] Israeli Foreign Minister Yitzhak Shamir and Lebanese Foreign Minister Elie Salem headed delegations which conferred separately with U.S. officials in Washington between March 11 and 14.

under occupation and instability serves the interests of none of us.

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Document 346

Transcript of an Interview With the Secretary of Defense (Weinberger), March 27, 1983 (Extract) [32]

Assurances From Israel of Cessation of Incidents

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MR. KONDRACKE. Mr. Secretary, the Government of Israel says that recent confrontations between its troops and ours in Lebanon result from your refusal to establish direct liaison with Israeli forces there. The Israelis say that they have such relations with the British, with the French, with the Italians, but not with us. What do you say about that?

A. Well, I say that that is basically not a correct statement. We do have liaison at all levels where it is required. We have basically the same kind of liaison that is possessed by the other members of the multinational force. We recently had meetings between the Marine Field Commander and the Commander of the Israeli forces, and we have all of the communication that is possible and that is possessed by the other units.

MR. KONDRACKE. But is there now going to be consistent direct liaison between our forces and theirs, so that these incidents won't take place again?

A. There is to be basically no change. The Marine Commander in the field has always had authority to go and call on the Israeli commanders, or on the telephone lines that exist, or by direct contact. He does that—he did that just last week. And he has reported to us that no further additional means of liaison are required and that what is there is perfectly satisfactory.

MR. KONDRACKE. Well, how do you explain the incidents that did take place then if it was perfectly satisfactory?

A. Well, I don't think that I want to go—into all the detail. There have been a great many incidents and General Barrow, Commandant of the Marine Corps, and the Marine Commander in the field have both reported to us that there have been some difficult problems. [33] They're very hopeful, as I am, that those have been resolved. I've talked to Defense Minister Arens of Israel two or three times on the telephone, and we're all hopeful that these incidents have stopped. The last time I talked with Mr. Arens, the next to the last time, he assured me that he had given the strictest instructions that there were to be no more of these incidents on the Israeli side.

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Document 347

Remarks by President Reagan, Los Angeles, March 31, 1983 (Extract) [34]

U.S. Withholding of F–16's From Israel

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Q. The gentleman wonders with the installation of Soviet SAM–5's in Syria, is the President prepared to release the

[32] Source: Department of Defense files. Weinberger was appearing on the NBC program, "Meet the Press". One of the interviewers was Morton Kondracke of *New Republic Magazine*.

[33] See, for example, Barrow's letter to Secretary Weinberger, document 344.

[34] Source: White House Press Release, March 31, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, April 4, 1983, pp. 490–491. The President made his remarks in the International Ballroom of the Beverly Hilton Hotel during a question-and-answer session following his address to the Los Angeles World Affairs Council beginning at 12:55 a.m. For complete text of his address and the question-and-answer session, see *ibid.*, pp. 484–491.

American planes scheduled for shipment to Israel?

THE PRESIDENT. You must realize that under the law [35]—the law exists now—those weapons must be for defensive purposes. And this is, again, one of the obstacles presented by the stalemate in Lebanon. While those forces are in the position of occupying another country that now has asked them to leave, we are forbidden by law to release those planes. They're F-16's, the planes that are on order. And it's as simple as the other forces returning to their own countries and letting Lebanon be Lebanon. (Applause).

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Document 348

Address by the Deputy Secretary of State (Dam) Before the St. Louis World Affairs Council, St. Louis, April 11, 1983 (Extract) [36]

Reason and Realism in the Middle East

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Lebanon poses a critical test for American diplomacy. It affects Arab, Israeli, and Palestinian interests alike. Our objective is straightforward. We seek to restore Lebanese sovereignty and ensure Israeli security. These are not separate objectives. A stable, sovereign Lebanon and a secure Israel are two sides of the same coin. The threat to Israel's northern border has come not from the Lebanese people, but from foreign forces that temporarily imposed an alien regime on Lebanese soil. It follows that a peaceful Lebanon, free of all foreign forces and sovereign over all its territory, will benefit Israel and Lebanon alike.

To achieve our objective, we and the responsible international community support a four-part strategy:

First: Prompt and complete withdrawal of all external forces from Lebanon;

Second: Agreement on effective security arrangements to prevent future attacks against Israel from Lebanese territory;

Third: Strengthening the Lebanese Government and the Lebanese Armed Forces;

Fourth: Reestablishment of a Lebanese national consensus and reconstruction of the Lebanese economy.

The United States is moving now in support of the Lebanese Government to implement all four parts of this strategy. Our special envoys, Ambassadors Habib and Draper, are negotiating continuously to secure the immediate and complete withdrawal from Lebanon of all outside forces—Israeli, Syrian, and PLO. Lebanon is negotiating with each of these parties separately. Since no outside forces are likely to be withdrawn from Lebanon without assurance of the withdrawal of each of the others, the future of all three negotiations is inextricably linked.

In order to move the Israel-Lebanon negotiations forward, the foreign ministers of Lebanon and Israel recently came to Washington for talks with Secretary Shultz. In those talks we provided Foreign Minister Shamir with a number of concrete ideas for assuring Israeli security. The Government of Israel has found these proposals thought-provoking and worthy of serious study. The proposals were designed to strengthen Israel's confidence that the Lebanese Armed Forces are ready and able to secure the South of Lebanon. We have stated our belief that the Lebanese Armed Forces must operate under a unified command structure, meaning that local militias and irregular forces, in South Lebanon as well as further north, must be absorbed within it. We have also stated our belief that close liaison and cooperation between Lebanon and Israel will be necessary to ensure the security of South

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[35] The reference is to the Foreign Military Sales Act, P.L. 90-629 (82 Stat. 1320), enacted on October 22, 1968. Owing to the Israeli invasion of Lebanon, President Reagan did not formally notify Congress in June 1982 of his intention to sell 75 F-16's to Israel as he had previously intended.

[36] Source: Department of State Press Release 103, April 11, 1983; also printed in Department of State *Bulletin*, June 1983, pp. 58-59. For text of Dam's comments on the peace process, omitted here, see document 286.

Lebanon. And we have made known our firm conviction that Lebanon can only regain control over the South in the context of the full withdrawal of the Israeli Defense Forces.

We believe that the security measures now being considered by Lebanese, Israeli, and U.S. negotiators incorporate the safeguards necessary to provide the people of northern Israel the security to which they are entitled. No security regime is perfect. But we will hold to our goal that South Lebanon never again becomes a base for aggression against Israel or a state-within-a-state.

In the period between the withdrawal of foreign forces from Lebanon and the Lebanese Government's consolidation of control over all its territory, agreed security arrangements will be necessary to supplement the capabilities of the Lebanese Armed Forces in the South. Our concern for stability in Lebanon, however, extends beyond the South. In this wider context, while we and our allies are working to rebuild the Lebanese Armed Forces, we have agreed to consider favorably the Lebanese Government's request that the United States join with Italy, France, Great Britain, and perhaps other nations in an expanded multinational force, if that appears necessary. The role, size, and areas of deployment of such an expanded force will have to be determined in the future.

To ensure that Lebanon will be able to take over full responsibility for its own security in the shortest possible time, the administration has asked the Congress for a supplemental appropriation of $251 million.[37] This figure includes a $100 million loan to Lebanon for new military equipment and $1 million for military training. It is important that the Congress act promptly on this request.

A fully sovereign Lebanon and a secure Israel, however, cannot be achieved through political and military measures alone. The Lebanese people must have a chance to restore their once-dynamic economy. The Government of Lebanon must be able to rehabilitate and reconstruct public infrastructure vital to the national economy. The credibility of the Lebanese Government will depend as much on its ability to provide normal government services as it will on its ability to ensure internal stability and secure its borders. To this end, our supplemental appropriation includes a request for $150 million for economic assistance to Lebanon.

Military security and economic rehabilitation are short-term mechanisms for bringing the Lebanon conflict to an end. National reconciliation in Lebanon and normal relations between Lebanon and its neighbors present the only long-term guarantees that Lebanon will never again pose a threat to international peace. Reconciliation will take time and careful management. Its development is not served by undue caution, but neither can it survive overwhelming pressure. President Gemayel is engaged in a life-or-death struggle to forge anew the national consensus that once made Lebanon a model of democracy. He has our full support.

Lebanon is also engaged, through its negotiations with Israel, in defining an approach to normal relations. This is a key element in the negotiations. Israel wants and needs this guarantee for the future. Lebanon cannot give more than the requirements for domestic reconciliation will permit. The problem is difficult, but concrete progress has been made. Both sides have agreed that the state of war on their border must end. And both sides have agreed that the process of developing relations must continue beyond the agreement which secures the withdrawal of all foreign forces.

. . . . . .

[37] See document 343.

Document 349

Letter From the Deputy Secretary of State (Dam) to the Chairman of the Senate Foreign Relations Committee (Percy), April 20, 1983 [38]

Possible Application of War Powers Resolution

DEAR MR. CHAIRMAN: I understand that the House Foreign Affairs Committee has adopted an amendment to the Lebanon supplemental which provides that the President shall obtain statutory authorization from the Congress with respect to the introduction of U.S. Armed Forces into Lebanon in conjunction with agreements for the withdrawal of foreign forces and the creation of a new multinational force. I understand that this language was deliberately drafted so as not to interfere with the President's ability to begin such an introduction, if circumstances urgently require it, while Congress is considering his request for statutory authorization.

Under these circumstances, the HFAC amendment correctly describes what this administration intends to do, is consistent with what we have done in comparable situations in the past (such as the Sinai Multinational Force), and is therefore acceptable to us. It is our intention to seek authorization from Congress as soon as possible following the completion of the ongoing negotiations, and we trust that Congress and the executive branch would then work expeditiously together with the objective of obtaining such authorization, if at all possible, prior to such new deployments.

I strongly hope that your committee will not find it necessary to deal with this question in the context of section 4(a)(1) of the war powers resolution. [39] It would be highly premature and unwise, and potentially damaging to the integrity of the resolution, for Congress to prejudge the possible applicability of that section to future arrangements which have not yet been negotiated and future circumstances which cannot yet be predicted. Such an action, which would amount to a public finding that U.S. forces will be exposed to an imminent risk of involvement in hostilities, is in no way a foregone conclusion, and could give entirely the wrong public impression as to what results these negotiations are intended to produce. Surely it would be far preferable for Congress to reserve judgment on this matter (as we will) until it can evaluate the circumstances as they develop, knowing that the provisions of the war powers resolution will, of course, remain available.

I appreciate this opportunity to comment on your committee's work, and hope that we can arrive at a result which accommodates our mutual interests in this matter.

Sincerely,

KENNETH W. DAM

Document 350

Address by President Reagan, April 23, 1983 [40]

Terrorist Attack on U.S. Embassy in Beirut

My fellow Americans, in a few hours I'll undertake one of the saddest journeys of my Presidency. I'll be going to Andrews Air Force Base to meet one of our Air Force planes bringing home 16 Americans who died this week in the terrorist attack on the United States Embassy in Beirut. [41]

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[38] Source: *Lebanon Emergency Assistance Act of 1983*, Report of the Committee on Foreign Relations, United States Senate, Ninety-eighth Congress, First Session, Report No. 98–72 (Washington, 1983), p. 1.

[39] Section 4(a)(1) of the War Powers Resolution requires the President to report to the Congress in writing within 48 hours certain information when the following conditions exist: "(a) In the absence of a declaration of war, in any case in which United States Armed Forces are introduced—(1) into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances." (87 Stat. 555)

[40] Source: White House Press Release, April 23, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, May 2, 1983, pp. 585–586. The President addressed the Nation by radio from the Oval Office of the White House beginning at 12:06 p.m.

[41] Seventeen U.S. Foreign Service and military personnel and a number of foreign national

Continued

I undertake this task in great sadness but also with a tremendous sense of pride in those who sacrificed their lives in our country's efforts to bring peace to the Middle East and spare others the agony of war. Greater love hath no man. The courage and the dedication of these men and women reflect the best tradition of our Foreign Service, our armed forces, and the other departments and agencies whose personnel serve our Nation overseas, often in situations of great personal danger.

We don't know yet who bears responsibility for this terrible deed. What we do know is that the terrorists who planned and carried out this cynical and cowardly attack have failed in their purpose. They mistakenly believe that if they're cruel enough and violent enough, they will weaken American resolve and deter us from our effort to help build a lasting and secure peace in the Middle East. If they think that, they don't know too much about America. As a free people, we've never allowed intimidation to stop us from doing what we know to be right. The best way for us to show our love and respect for our fellow countrymen who died in Beirut this week is to carry on with their task, to press harder than ever with our peacemaking efforts and that's exactly what we're doing.

More than ever we're committed to giving the people of Lebanon the chance they deserve to lead normal lives, free from violence and free from the presence of all unwanted foreign forces on their soil. And we remain committed to the Lebanese Government's recovery of full sovereignty throughout all its territory.

When I spoke after the bombing to Lebanon's President Gemayel, he expressed his people's deepest regret and revulsion over this wanton act of terrorism. I in turn assured him that the tragic events of this week had only served to strengthen America's steadfastness as a force for peace in his country and the Middle East. To this end, I've asked Secretary of State George Shultz to leave tomorrow night for the Middle East. Secretary Shultz will now add his personal efforts to continue the magnificent work begun by Ambassadors Phil Habib and Morris Draper bringing about the earliest possible withdrawal of all foreign forces from Lebanon in a way that will promote peace and security in this troubled region.

The scenes of senseless tragedy in Beirut this week will remain etched in our memories forever. But along with the tragedy, there were inspiring moments of heroism. We will not forget the pictures of Ambassador Dillon and his staff, Lebanese as well as Americans, many of them swathed in bandages, bravely searching the devastated Embassy for their colleagues and for other innocent victims.

We will not forget the image of young Marines gently draping our nation's flag over the broken body of one of their fallen comrades. We will not forget their courage and compassion. And we will not forget their willingness to sacrifice even their lives to the service of their country and the cause of peace.

Yes, we Americans can be proud of these fine men and women. And we can be even prouder that our country has been playing such a unique and indispensable role in the Middle East, a role no other single nation could play. When the countries of the region want help in bringing peace, we're the ones they've turned to. That's because they trust us, because they know that America is both strong and just, both decent and dedicated. Even in the shadow of this terrible tragedy in Beirut, that is something to remember and draw heart from. It is also something to be true to.

I know I speak for all Americans when I reaffirm our unshakable commitment to our country's most precious heritage, serving the cause of peace and freedom in the world. What better monument than that could we build for those who gave their all that others might live in peace.

Until next week, thank you and God bless you.

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employees were killed in the April 18 explosion of the Embassy.

Document 351

Transcript of a Press Briefing by the Secretary of State (Shultz), April 24, 1983 (Extracts) [42]

U.S. Promotion of the Withdrawal of All Foreign Forces From Lebanon

Q. Do you have any idea what you hope to accomplish in the troop withdrawal talks in Lebanon?

SECRETARY SHULTZ. I hope that we can first arrive at an agreement between Israel and Lebanon that will provide for the withdrawal of the Israel forces from Lebanon, and obviously then we have to go on and work out with the Syrians and Lebanon and with the PLO their withdrawal consistent with the Israeli withdrawal schedule.

Q. Are you optimistic in getting such an agreement with the Israelis?

SECRETARY SHULTZ. I think that it is a very do-able thing. Basically, that's because it seems to me it's very much in both the Israelis and the Lebanese interest and anyway, as a negotiator and mediator, you have to be optimistic, you have to think it will succeed, otherwise you won't get anywhere.

Q. What are the major obstacles now as you are going out?

SECRETARY SHULTZ. Well, there are, of course, the two tracks in the sense of the negotiations—they have to do on the one hand with security arrangements and on the other with the movement of goods and people and other aspects of the relationship between Lebanon and Israel. There has been a tremendous amount of accomplishment, at least as I see it, by Phil and Morrie [43] in working with these and with the Israelis. But there are still difficult issues in each of those areas and so I'll try to identify them as clearly as I can and work with the parties to help in any way I can to get them resolved.

. . . . . .

Q. How concerned are you that even if you do get an arrangement with the Israelis that you will end up with nothing from the Syrians—that they will no longer be willing to leave?

SECRETARY SHULTZ. Well, anything is possible, but they have said that they will withdraw as the Israelis withdraw, as the Government of Lebanon requested them to withdraw. The Arab/Fez statement set that out as an Arab understanding, [44] all of those things were confirmed when the Lebanese met with them in New Delhi at the time of the nonaligned summit [45] and so all those statements are there. But we have to have an Israeli agreement to call their card and I hope that we'll have it.

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[42] Source: Department of State files. The Secretary conducted the briefing while en route to Cairo to commence a negotiating effort designed to facilitate a settlement between Israel and Lebanon. His itinerary was as follows:

April 25–27 in Egypt,
April 27–28 in Israel,
April 28 in Lebanon,
April 28–30 in Israel,
April 30–May 1 in Lebanon,
May 1–3 in Israel,
May 3–4 in Lebanon,
May 4–6 in Israel,
May 6–7 in Jordan,
May 7 in Syria,
May 7–8 in Saudi Arabia,
May 8 in Israel,
May 8 in Lebanon, and
May 8–11 in Paris.

[43] The reference is to Philip Habib and Morris Draper.

[44] The September 9, 1982, Fez declaration stated that "The summit was informed of the Lebanese Government's decision to put an end to the mission of the Arab Deterrent Force in Lebanon. To this end, the Lebanese and Syrian Governments will start negotiations on measures to be taken in the light of the Israeli withdrawal from Lebanon." (*Keesing's Contemporary Archives*, vol. XXIX, 1983, p. 32037)

[45] The summit convened between March 7 and 12, 1983.

Document 352

Remarks by the Secretary of State (Shultz), Jerusalem, April 27, 1983 (Extract) [46]

"The Peace Process Continues . . . and It Must Advance"

. . . . . .

I am here also, as you know, to concentrate on helping Israel and Lebanon conclude an agreement that will lay the basis for withdrawal of all foreign forces from Lebanon. Restoring Lebanon's full sovereignty and authority over all its territory will enable that country to live as a peaceful, secure and friendly neighbor of Israel. The human losses suffered by all parties in the conflict require an outcome that will ensure that such a tragedy never recurs—and an outcome that establishes security for all peoples of the region.

Substantial progress has been made in your negotiations with Lebanon up to now, though difficult issues remain. I want to express my admiration and gratitude to the able negotiators—Director General Kimche, Ambassador Fattal, Phil Habib, Morris Draper, and all their colleagues.

The negotiation has gone on for 4 months, as of today. If the remaining issues were easy—if there were not important considerations on both sides—they would already have been settled. They have been debated, analyzed, pored over, agonized over. Now is the time to resolve them. As the Bible tells us, to every thing there is a season. There is a time to debate and there is a time to decide. Now is the time to decide. As in every negotiation, there must be compromise. For every risk that is taken, there is gain. And the risks of failure are far greater than any of the risks of an agreement as it is now envisaged.

If we succeed in Lebanon, that country will regain true sovereignty, independence and integrity. It will be able to rebuild its flourishing society in safety and dignity and as the Foreign Minister noted play its unique role in this region. And we will have enlarged the circle of peaceful relationships between Israel and its neighbors.

The peace process continues. It must continue—and it must advance. To cease our efforts is to allow bitter wounds to fester and to invite future conflict. President Reagan is committed to working with you on the noble enterprise of peacemaking.

For the ultimate guarantor of security is peace. And the greatest gift and legacy we can leave to our children is peace.

I know how much this dream must mean to the people of Israel. As some of you may know, I was here in Israel shortly after President Sadat's visit to Jerusalem. [47] I felt here then a powerfully moving tide in human attitudes. You could feel it palpably in the atmosphere: the yearning of the entire Jewish people for peace. A people who had been compelled to do battle for survival time and again were infused with a sense of the possibility if not probability of peace. I can never forget that moment, when the people of Israel, who had made so many sacrifices in defense of their country, were uplifted by a great vision. Let no one try to tell me that the Israeli nation does not want peace.

Let us all dedicate ourselves to ensure that no more young lives will be wasted—that no more families will be bereaved.

Mr. Foreign Minister, let me propose a toast to your President and Prime Minister, to you and your colleagues, and to the brave people of Israel who, in the words of the sages, love peace and pursue it will all their might.

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[46] Source: Department of State Press Release 133, April 29, 1983; also printed in Department of State *Bulletin*, July, 1983, pp. 34–35. The Secretary's remarks were in response to a toast by Israeli Foreign Minister Shamir, which is printed *ibid.*, p. 34.

[47] Sadat visited Jerusalem between November 19 and 21, 1977.

Document 353

Transcript of a Press Briefing by the Secretary of State (Shultz), April 30, 1983 (Extracts) [48]

The Role of Syria in the Withdrawal of Armed Forces From Lebanon

Q. At what point in the process do you envision talking to the Syrians about what it is you've done? When you get close to a deal between Lebanon and Israel or after it's concluded or how do you keep the Syrians from saying, well, you did to me what they did at Camp David to Jordan? You present me with something I have nothing to say about, I don't want to participate.

SECRETARY SHULTZ. First of all, I have talked on various occasions to the Syrian Foreign Minister and there have been conversations between the Lebanese officials and the Syrians at various times. We will have to make a judgment about when is the appropriate time to go to Syria for a concrete kind of approach to an agreement. We have had our Ambassador Paganelli go to the Foreign Ministry to see if we're welcome to come there and we have received the answer back that we are. And there are possible dates, but what the right date will be, I don't know. Assuming that we do make genuine progress, and that's an assumption because the issues are far from resolved to see how you might resolve them, but assuming that we do make some genuine progress in the next few days, certainly we'll want to go to Damascus.

. . . . . .

Q. Have the Syrians in the last several weeks indicated they could not accept the way the Lebanese-Israeli negotiations seem to be going, at least the content of them?

SECRETARY SHULTZ. They've made statements about the conditions under which they would withdraw. They have also, I gather, complained to people that they're not as well-informed as they'd like to be. So we presume they are getting better informed. The basic condition laid down by everybody has been complete withdrawal of all foreign forces, so I think in terms of a fundamental given here is that in the Israeli-Lebanon agreement, there are provisions for a complete withdrawal. And that's the fundamental thing that Syria has put forward. And so they probably are rejecting to some extent statements that you read about in any morning's paper that suggest something other than complete withdrawal. But as far as we're concerned, complete withdrawal is the underlying premise.

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Document 354

Transcript of an Interview With the Under Secretary of State for Political Affairs (Eagleburger), May 1, 1983 (Extracts) [49]

Soviet Presence in Syria

Q. All of the reports that we see indicate more and more Soviet advisers not only in Syria but in the Syrian-occupied parts of Lebanon. What is this Soviet goal, do you think? What is their intention in putting so many of their people in these advanced areas where there is beginning to be a little danger; isn't there?

A. I think there is a great deal of danger involved in what the Soviets are doing now. It's much harder to give you a sensible explanation of what they are doing. I think probably the best explanation is that the Soviets realize that as a result of the Israeli attacks on the Syrians during the Lebanon war, the Syrians really took a clobbering and that this reflected very badly on Soviet supplies, Soviet military equipment, and, indeed, on the Syrians as a surrogate of the Soviets. I suspect that

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[48] Source: Department of State Press Release 142, May 3, 1983. Secretary Shultz briefed reporters on the plane from Jerusalem to Beirut.

[49] Source: Department of State *Bulletin*, June 1983, pp. 53–54. Eagleburger was interviewed on the CBS program, "Face the Nation," by George Herman of CBS News, Henry Trewhitt of the *Baltimore Sun*, and Bill McLaughlin of CBS News.

what has happened now is that, at least in part, the Soviets have decided that what they have to do is provide sufficient equipment to demonstrate to the Syrians and to the other Arab States, and particularly to the radical Arab States, that the Soviets still are players in the Middle East. So I suspect that that's the basic reason for it.

There may be something far more devious involved here, but whether there is another intention or not, I think the fact of the matter is, that with the Soviets putting all of these men and equipment into the Middle East, and particularly into Syria, they create real dangers of an escalation which could become a serious confrontation between East and West. It's a very, very unwise step, in my view.

. . . . . .

Q. Doesn't it follow automatically, however, that the Soviets, in fact, have dealt themselves back into the decisionmaking process in the Middle East, whether it was by accident, design, or whatever? You must take them into consideration in a way you have not in the past.

A. They have always been a factor in the Middle East and in the Middle East settlement. Nobody argues that. The fact of the matter also has been, however, that the Soviets were in no position to deliver anybody to the peace table. The view has always been, and I think rightly, that it is the United States, and the United States alone, of the superpowers that has any ability to bring the various parties together at the table. I think that is still true.

I wouldn't argue with you at all that the Soviets, particularly with these latest deployments, become a greater factor in the Middle East. I'm afraid that the fact of the matter is though, to the degree they are a greater factor, it is a negative factor and not one that leads toward bringing about a peace settlement. With all of that said, I am still absolutely convinced that the United States, working with the moderate Arabs, and the Israelis, can bring about a peace settlement, with or without the degree of Soviet involvement that we now see in Syria.

Document 355

Statement by the Secretary of State (Shultz), Damascus, May 7, 1983 (Extract) [50]

Syrian Attitude Toward the Israeli-Lebanese Accord

First, the schedule, which was that we met with the Foreign Minister [51] and his party—first a little group, then a larger group, for a couple of hours or so. We discussed mainly the Lebanon negotiations, but also such matters as the Iran-Iraq war and tensions in the Middle East in general. We then had a working lunch with the Foreign Minister and, following a slight break, about 4 hours of discussion with President Assad, which again covered a wide range of things but I would say at least half of it on the Lebanon situation. In the interest of time, I'll just comment on the latter, since that is the thing we have been working on. Of course, the Syrians will speak for themselves about it, but I think it is fair to say that they are hardly enthusiastic about the agreement that Lebanon and Israel have worked out. Now, procedurally, as I understand it, what has to happen is that Lebanon—which brought a copy of a draft agreement as of, I think late Tuesday, [52] here and discussed it with them—will, after Lebanon acts on the agreement, show them—although that's up to Lebanon—the actual agreement as it has been finally shaped up. Then, Lebanon will have the negotiation with the Syrians about Syrian withdrawal and with the PLO about PLO withdrawal. My guess is that these will be very difficult negotiations, but this is okay. At least from my experience in the Middle East, nothing happens easily, so no one expected that this one would be. On the other hand, at least in my judgment, there are great incentives built into this situation for people in the end to go along with it, but that's only my judgment. At

[50] Source: Department of State Press Release 167, May 10, 1983; also printed in Department of State *Bulletin*, July 1983, p. 40. Secretary Shultz made this statement at the start of a press briefing following his discussion with Syrian President Hafiz al-Assad.

[51] Abdel Halim Khaddam.

[52] May 3.

any rate, no doubt the Lebanese and the Syrians will be discussing this matter, and we have said that we are ready to help as we can. President Assad gave me his assurance that I, or the appropriate U.S. representative, will always be welcome here to do that. So that's where it stands.

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Document 356

Address by the Secretary of State (Shultz) Before the Business Council, Hot Springs, Virginia, May 13, 1983 (Extract) [53]

The Lebanon–Israel Negotiation

. . . . . .

The warfare that we saw last summer on our television screens was only the culmination of many years of bloodshed and turmoil in Lebanon. Lebanon is a beautiful country, with a proud and capable people who have long played a productive role in the economy of that part of the world. The Lebanese have had their internal political difficulties—but the delicate political balance within Lebanon was shattered during the 1970's largely by the involvement of external military forces—the PLO, the Syrians, and the Israelis.

The war in Lebanon last summer taught its own kind of lesson. There was a profound yearning, particularly in Lebanon, to turn the aftermath of that tragedy into the beginning of something better. Out of chaos came hope. Last July and August the United States, represented by Ambassador Philip Habib, President Reagan's special emissary, negotiated a ceasefire in Beirut and the withdrawal of PLO fighters from the Beirut area. United States Marines took up positions around Beirut to provide a sense of security.

Then, a new government in Lebanon, headed by its impressive young President, Amin Gemayel, set as its first priority the restoration of a strong central government exercising full sovereign control over all of its territory. Lebanon sought the withdrawal of all external forces from the country. Israel sought reassurance that Lebanese territory would not become again a staging ground for terrorist attacks on the cities, towns, and farms of northern Israel.

Last December, negotiations began between Lebanon and Israel on the withdrawal of Israeli forces and the creation of a new relationship between Lebanon and Israel. Lebanon thus became the second Arab State, after Egypt, to engage in direct negotiations with Israel.

Again, the United States played a pivotal role. Phil Habib, assisted by Ambassador Morris Draper, shuttled back and forth and worked with the parties to encourage and support an agreement. After 4 months of talks, much progress had been made, but the negotiations were stalemated over a number of key issues. At the end of April it became clear that more impetus was needed, to force the pace of decisions and resolve the issues that remained. President Reagan decided it was time for me to go out there. I did, and I spent about 10 days shuttling between Beirut and Jerusalem to hammer out the final compromises.

It was clear to me when I got there that both sides wanted a solution. Many people had doubts that Israel really wanted to withdraw from Lebanon; in fact, both sides were negotiating in good faith over issues that were objectively difficult. Both sides knew that a solution was necessary. As I said in a dinner toast in Jerusalem, the issues "have been debated, analyzed, pored over, agonized over. Now is the time to resolve them. As the Bible tells us, to every thing there is a season. There is a time to debate and a time to decide. Now is the time to decide. . . . [54] And the risks of failure are far greater than any of the risks of an agreement. . . ." [55]

It was an extraordinary experience for me on the personal level. The Government and people of Israel, who have yearned so long for acceptance and for se-

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[53] Source: Department of State Press Release 184; also printed in Department of State *Bulletin*, July 1983, pp. 55–56. For the portion of his speech on the peace process, omitted here, see document 289.

[54] Ellipses are in the source text.

[55] See document 352.

curity, and the Government and people of Lebanon, who have yearned for an end to a decade of horror and destruction, behaved throughout 2 weeks of intense negotiation with consummate dignity and graciousness. So much was at stake for their countries, yet they treated me and my colleagues with the greatest of courtesy and friendship throughout. And they did not shrink from hard decisions.

A week ago today, the Israeli Cabinet announced its acceptance in principle of the agreement as it then stood, which Lebanon had already accepted.

It was a victory for statesmanship on both sides.

The agreement provides for withdrawal of Israeli forces, which is the essential first step toward Lebanon s goal of withdrawal of all external forces. At the same time, Lebanon and Israel have agreed to security arrangements in the southern part of the country which support Lebanon's ability to carry out its strong intention to keep the area free of terrorist activity. In addition, there are provisions looking toward the improvement in mutual relations which both sides desire, reflecting the shared objective of living in peace side-by-side as neighbors.

The agreement has many technical provisions, of course, but its real meaning is much more than technical:

—It offers hope that Lebanon, after more than a decade of civil war and external interference, will recover its sovereignty, independence, and security.

—It offers hope that the international boundary between the two countries will be a border of peace, security, and friendly relations.

—It proves once again in the Arab-Israeli conflict that negotiations can achieve results.

As you may know, Israel is not prepared actually to withdraw its forces until Syrian and the remaining PLO forces also leave Lebanon. There will be a negotiation between Syria and Lebanon on the subject of Syrian withdrawal. I know Amin Gemayel well enough to know that he will vigorously defend Lebanon's sovereign right to determine its own future. He and his colleagues are showing courage and statesmanship, and they deserve wholehearted American support. When Lebanon makes its sovereign decision, with backing from the main constituent groups in the Lebanese national consensus, that decision will command considerable moral authority.

Syria too, is a proud country, and it has legitimate security concerns with respect to Lebanon. I was able to tell President Assad that the purpose of my mission was to start the process of restoring Lebanon's sovereignty over all its territory, and withdrawing all external forces, which would enhance the security and well-being of all of Lebanon's neighbors. The Israeli-Lebanese agreement was a necessary first step, fully consistent with the security of all countries in the area.

The Syrian Government, too, treated us all with great courtesy. I know that Syria—like Lebanon—will make its own sovereign decision on an issue so important to it. Both Syria and the United States regard a renewal of contacts and improved relations as in the mutual interest. And all parties will realize, I am sure, that the risks if the withdrawal process fails are greater than the risks of completing it.

We are in touch with all the concerned countries, and we will try to assist as desired by the parties.

What we have already achieved, as I said before, is the essential first step. The American people can be proud of what is, in essence, their accomplishment. They can be proud of the Marines whose presence around Beirut gives the people of Lebanon such a sense of assurance and confidence in the future.

There are risks in any diplomatic effort; there have been tragedies, such as the bombing of our Beirut Embassy. But nothing significant is ever accomplished without risks, and sometimes sacrifice. Americans are not a timid people. In the past generation this country has made an enormous contribution to the world's peace, stability, and well-being. Thus we are being true to our heritage and to our moral responsibility. If those who attacked our Embassy thought they could intimidate the United States and derail our efforts, they were grossly mistaken.

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Document 357

Agreement Between the Government of the State of Israel and the Government of the Republic of Lebanon, May 17, 1983 [56]

Agreement Between the Governments of Israel and Lebanon

The Government of the State of Israel and the Government of the Republic of Lebanon:

Bearing in mind the importance of maintaining and strengthening international peace based on freedom, equality, justice, and respect for fundamental human rights;

Reaffirming their faith in the aims and principles of the Charter of the United Nations and recognizing their right and obligation to live in peace with each other as well as with all states, within secure and recognized boundaries;

Having agreed to declare the termination of the state of war between them;

Desiring to ensure lasting security for both their States and to avoid threats and the use of force between them;

Desiring to establish their mutual relations in the manner provided for in this Agreement;

Having delegated their undersigned representative plenipotentiaries, provided with full powers, in order to sign, in the presence of the representative of the United States of America, this Agreement;

Have agreed to the following provisions:

ARTICLE 1

1. The Parties agree and undertake to respect the sovereignty, political independence and territorial integrity of each other. They consider the existing international boundary between Israel and Lebanon inviolable.

2. The Parties confirm that the state of war between Israel and Lebanon has been terminated and no longer exists.

3. Taking into account the provisions of paragraphs 1 and 2, Israel undertakes to withdraw all its armed forces from Lebanon in accordance with the Annex of the present Agreement.

ARTICLE 2

The Parties, being guided by the principles of the Charter of the United Nations and of international law, undertake to settle their disputes by peaceful means in such a manner as to promote international peace and security, and justice.

In order to provide maximum security for Israel and Lebanon, the Parties agree to establish and implement security arrangements, including the creation of a Security Region, as provided for in the Annex of the present Agreement.

ARTICLE 4

1. The territory of each Party will not be used as a base for hostile or terrorist activity against the other Party, its territory, or its people.

2. Each Party will prevent the existence or organization of irregular forces, armed bands, organizations, bases, offices or infrastructure, the aims and purposes of which include incursions or any act of terrorism into the territory of the other Party, or any other activity aimed at threatening or endangering the security of the other Party and safety of its people. To this end all agreements and arrangements enabling the presence and functioning on the territory of either Party of elements hostile to the other Party are null and void.

3. Without prejudice to the inherent right of self-defense in accordance with international law, each Party will refrain:

a. from organizing, instigating, assisting, or participating in threats or acts of belligerency, subversion, or incitement or any aggression directed against the other Party, its population or property, both within its territory and originating

[56] Source: Department of State files; also printed in *Developments in the Middle East, June 1983: Hearings Before the Subcommittee on Europe and the Middle East of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 47–55. The congressional print does not include the Annex on Security Arrangements nor the Agreed Minutes to the Treaty Articles and Annex, which are also not printed here.

therefrom, or in the territory of the other Party.

b. from using the territory of the other Party for conducting a military attack against the territory of a third state.

c. from intervening in the internal or external affairs of the other Party.

4. Each Party undertakes to ensure that preventive action and due proceedings will be taken against persons or organizations perpetrating acts in violation of this Article.

ARTICLE 5

Consistent with the termination of the state of war and within the framework of their constitutional provisions, the Parties will abstain from any form of hostile propaganda against each other.

ARTICLE 6

Each Party will prevent entry into, deployment in, or passage through its territory, its air space and, subject to the right of innocent passage in accordance with international law, its territorial sea, by military forces, armament, or military equipment of any state hostile to the other Party.

ARTICLE 7

Except as provided in the present Agreement, nothing will preclude the deployment on Lebanese territory of international forces requested and accepted by the Government of Lebanon to assist in maintaining its authority. New contributors to such forces shall be selected from among states having diplomatic relations with both Parties to the present Agreement.

ARTICLE 8

1. a. Upon entry into force of the present Agreement, a Joint Liaison Committee will be established by the Parties, in which the United States of America will be a participant, and will commence its functions. This Committee will be entrusted with the supervision of the implementation of all areas covered by the present Agreement. In matters involving security arrangements, it will deal with unresolved problems referred to it by the Security Arrangements Committee established in subparagraph c. below. Decisions of this Committee will be taken unanimously.

b. The Joint Liaison Committee will address itself on a continuing basis to the development of mutual relations between Israel and Lebanon, *inter alia* the regulation of the movement of goods, products and persons, communications, etc.

c. Within the framework of the Joint Liaison Committee, there will be a Security Arrangements Committee whose composition and functions are defined in the Annex of the present Agreement.

d. Subcommittees of the Joint Liaison Committee may be established as the need arises.

e. The Joint Liaison Committee will meet in Israel and Lebanon, alternately.

f. Each Party, if it so desires and unless there is an agreed change of status, may maintain a liaison office on the territory of the other Party in order to carry out the above-mentioned functions within the framework of the Joint Liaison Committee and to assist in the implementation of the present Agreement.

g. The members of the Joint Liaison Committee from each of the Parties will be headed by a senior government official.

h. All other matters relating to these liaison offices, their personnel, and the personnel of each Party present in the territory of the other Party in connection with the implementation of the present Agreement will be the subject of a protocol to be concluded between the Parties in the Joint Liaison Committee. Pending the conclusion of this protocol, the liaison offices and the above-mentioned personnel will be treated in accordance with the pertinent provisions of the Convention on Special Missions of December 8, 1969, [57] including those provisions concerning privileges and immunities. The foregoing is without prejudice to the positions of the Parties concerning that Convention.

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[57] For text of the U.N. Convention on Special Missions, which is not yet in force, see U.N. General Assembly Resolution 24/2530.

2. During the six-month period after the withdrawal of all Israeli armed forces from Lebanon in accordance with Article 1 of the present Agreement and the simultaneous restoration of Lebanese governmental authority along the international boundary between Israel and Lebanon, and in the light of the termination of the state of war, the Parties shall initiate, within the Joint Liaison Committee, *bona fide* negotiations in order to conclude agreements on the movement of goods, products and persons and their implementation on a non-discriminatory basis.

ARTICLE 9

1. Each of the two Parties will take, within a time limit of one year as of entry into force of the present Agreement, all measures necessary for the abrogation of treaties, laws and regulations deemed in conflict with the present Agreement, subject to and in conformity with its constitutional procedures.

2. The Parties undertake not to apply existing obligations, enter into any obligations, or adopt laws or regulations in conflict with the present Agreement.

ARTICLE 10

1. The present Agreement shall be ratified by both Parties in conformity with their respective constitutional procedures. It shall enter into force on the exchange of the instruments of ratification and shall supersede the previous agreements between Israel and Lebanon.

2. The Annex, the Appendix and the Map attached thereto, and the Agreed Minutes to the present Agreement shall be considered integral parts thereof.

3. The present Agreement may be modified, amended, or superseded by mutual agreement of the Parties.

ARTICLE 11

1. Disputes between the Parties arising out of the interpretation or application of the present Agreement will be settled by negotiation in the Joint Liaison Committee. Any dispute of this character not so resolved shall be submitted to conciliation and, if unresolved, thereafter to an agreed procedure for a definitive resolution.

2. Notwithstanding the provisions of paragraph 1, disputes arising out of the interpretation or application of the Annex shall be resolved in the framework of the Security Arrangements Committee and, if unresolved, shall thereafter, at the request of either Party, be referred to the Joint Liaison Committee for resolution through negotiation.

ARTICLE 12

The present Agreement shall be communicated to the Secretariat of the United Nations for registration in conformity with the provisions of Article 102 of the Charter of the United Nations.

Done at Khaldeh and Kiryat Shmona this seventeenth day of May, 1983, in triplicate in four authentic texts in the Arabic, Hebrew, English and French languages. In case of any divergence of interpretation, the English and French texts will be equally authoritative.

DAVID KIMCHE
For the Government of the State of Israel

ANTOINE FATTAL
For the Government of the Republic of Lebanon

Witnessed by:

MORRIS DRAPER
For the Government of the United States of America

Document 358

Transcript of the Department of State Daily Press Briefing, May 18, 1983 (Extract) [58]

Syrian Refusal To Receive Ambassador Habib

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Q. John, do you have anything to say about Syria's apparent refusal to allow Philip Habib to return to Damascus to deal with Syria's participation in the withdrawal from Lebanon?

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[58] Source: Office of Press Relations, Department of State. John Hughes, Department of State Spokesman, conducted the briefing which began at 12:14 p.m.

A. It is true that the Syrian Government has said that it does not want to receive Ambassador Habib at this particular time. We continue to believe that dialog is the way to advance the cause of peace. The Syrian attitude regarding Ambassador Habib's visit is certainly not in the spirit we hoped to have. We remain ready to engage in the dialog.

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Document 359

Transcript of a Briefing by the Secretary of State (Shultz) for National Jewish Leaders, May 20, 1983 (Extract) [59]

Syrian Withdrawal As the Next Step in the Peace Process

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[Q.] Would you be willing to speak a little bit more about the situation as it affects Syria? After all, it is now the next main issue on the agenda.

Also, do you see this as a maneuver to bring the Soviet Union into the peace process of the Middle East?

SECRETARY SHULTZ. Here is the way I see the Syrian question, and as you correctly point out, that is the next step. We've taken a step. I think it is a very important step in a number of dimensions, and I'd like to come back to that. But at any rate, insofar as Syria is concerned, our strategy has been, all along, to keep getting Syria—and to the extent we can, the PLO—on the record as saying that as Israel withdraws, they will withdraw. In the Fez Declaration—probably not the most popular document in the world with this group—when you look through it, it seems pretty much to say that Syria should withdraw and the PLO should withdraw, I think the words are, "in the light of Israeli withdrawal," or something like that. [60] So that's a marker.

Syria has made statements to various people, including to me personally, in the form of the Foreign Minister, that they would withdraw as Israel withdraws. They have made that statement to the Lebanese directly, as recently as at the Nonaligned Conference in New Delhi, which was about 6 weeks ago, or something of that kind. And the PLO the same. So there are a lot of statements that have been made.

It may be that they felt that Israel would never agree to withdraw so they could blithely make these statements, and their card would never be called. A lot of people felt that. I might say, one of the things that this agreement establishes, whatever else happens, that those who have said that Israel would never withdraw, well, they don't have a leg to stand on any more. They have signed on the dotted line that Israel will withdraw on conditions considered reasonable by an Arab country, and given the endorsement by the full Parliament of that country. [61] So the first point on Syria is that they have made statements.

The second point is this: We have felt that the best basis on which to go forward with Syria is first to get the agreement between Lebanon and Israel completely nailed down—signed, sealed, and delivered, so to speak. And, insofar as Lebanon is concerned, to have it endorsed, not only by the President and the Negotiating Committee, which technically had the authority just to go ahead, agree, and be done with it, but the President, I think wisely, decided, first of all, to make the most influential Moslem in Lebanon, the Prime Minister Wazzan, a very fine person, chairman of the negotiating group. When I was in Lebanon countless hours and days, leafing through this agreement, discussing this word, and that paragraph, and so on, that Prime Minister was right there the whole time. He stuck with it, and in the end, while there are a lot of things in the agreement he didn't care for, he said, "All right, I accept this agreement. I support this agreement." He

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[59] Source: Department of State files. The briefing took place in the Lov Henderson Auditorium of the Department of State beginning at 10 a.m.

[60] See footnote 44 above.

[61] The Lebanese Cabinet approved the agreement on May 14 and the Parliament did likewise on May 16.

said it publicly. "I will work in good faith to have it implemented."

So the President, I think, had that key person there in the negotiating sessions. Then, that paid off in the sense of that support. He carried that through; got unanimous support of his Cabinet. Then, he took it to the Lebanese Parliament and got unanimous support in the Parliament. So our feeling was—and we had this advice as we went around prior to the agreement and talked with our friends in the Arab world that was their advice: Let it be visible that this agreement is something that the Government of Lebanon, supported by the broad sweep of the confessional groups in Lebanon, not just the Christians and so on, support. That lays down a certain marker, so that's been accomplished now.

The Syrians, I think it is fair to say, did everything they could think of to prevent that from happening. They tried to get the Lebanese Parliament not to vote in favor of the agreement, and they lost that one. They lost that badly. They subjected people to a lot of tough talk.

I said to one of the people I was talking with when he reported to me on a high-level conversation, I said, "Did you feel like your life was threatened?" He said, "Yes, I sort of felt that way." But it's a rough game that people play out there. So that's the next step.

Many people have asked me, "What is the Soviet Union saying to Syria?" and so on. The answer that I've given, and it's an accurate answer, "I don't know what the Soviet Union is saying to Syria."

I know that the Soviet Union has put high-powered weapons there; I know that the Soviet Union is manning those weapons; they have a physical manpower presence in Syria. I know what the Soviet Union has said publicly about the Israeli-Lebanese Agreement. They have denounced it. That's their attitude. But I say, to me, Syria is a proud country, an independent country, and in the end, it is up to Syria to decide for itself what it wishes to do: they are Syrian troops that have to withdraw. And so the nexus of that discussion needs to be between Lebanon and Syria; and there are a lot of legitimate questions to be discussed between those two countries about Syrian withdrawal, but that's where the action should be. And as far as we're concerned, that's where we're putting it, and we have said to the Lebanese that we're willing to be helpful as we can in working on it with them.

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Document 360

Prepared Statement and Testimony by the Assistant Secretary of State for Near Eastern and South Asian Affairs (Veliotes) Before a Subcommittee of the House Foreign Affairs Committee, June 2, 1983 (Extracts) [62]

Assessment of Arab Response to Israel–Lebanon Agreement

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First, let me turn to Lebanon and our efforts to implement the Agreement between Lebanon and Israel, concluded May 17, with the assistance of Secretary Shultz after many months of negotiations between the two states conducted with the good offices of Ambassadors Habib and Draper.

For many years, Lebanon has endured much suffering and turmoil, riven by internal factionalism and beset by outside forces. The entry of Israeli troops into Lebanon last June added a new urgency to the need to resolve the Lebanese problem, and subsequent negotiations produced the May 17 Agreement.

The Agreement reinforces the policy which the United States has pursued toward Lebanon for many years: we support the restoration of Lebanon's sovereignty throughout its territory, a strong, stable Lebanese central government, and

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[62] Source: *Developments in the Middle East, June 1983: Hearing Before the Subcommittee on Europe and the Middle East of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 5–6, 8, 13–14. For the remainder of the prepared statement, see document 277.

security for Israel's northern border. History has proved repeatedly that Lebanon can realize these goals and gain peace only if all foreign forces, Israeli, Syrian and PLO and others, withdraw from that beleaguered nation.

The Agreement was an important step toward attainment of these goals for Lebanon, and we can be proud of this example of U.S. leadership and diplomacy. It proves again the point that we so urgently hope other states in the region will recognize: negotiations, if patiently and persistently pursued, can succeed in moving the area towards peace and stability.

The essential elements of the Agreement are that Israel has agreed to withdraw all of its forces in the context of a simultaneous withdrawal of Syrian and PLO forces; the state of war is terminated; the border between the two countries is declared inviolable; and the territories of both states cannot be used for attacks on the territory of a third state.

By providing arrangements for withdrawal of Israeli forces from southern Lebanon in a way that will restore Lebanese sovereignty and protect the security of Israel's northern border, the Agreement is a major step toward peace and national reintegration for Lebanon, and, we hope, toward a wider process of reconciliation in the region. It is therefore vital that Syria and the PLO also agree to withdraw their forces soon, so that Israel will withdraw and Lebanon will finally have a chance to bind its wounds and run its own affairs.

The Government of Syria has thus far opposed the Agreement and has not yet agreed to withdraw the 50,000 troops it now has in Lebanon. This is disappointing, of course. Syria has stated publicly on several occasions in the past that it was willing to withdraw its forces when the Government of Lebanon indicated they were no longer needed. The Arab League Summit at Fez last fall also addressed the matter of Syrian withdrawal in light of Israeli withdrawal. We hope that Syria, on reflection, will meet this commitment.

We recognize that Syria is a proud country and has legitimate security concerns in the area. But we are convinced that these can best be protected by withdrawal of Syrian and Israeli forces from Lebanon. The status quo leaves large scale Syrian and Israeli forces face-to-face in the Bekaa Valley, and Israeli forces 25 miles from Damascus. The danger of confrontation and renewed hostilities in this dangerous and volatile situation. By miscalculation or otherwise, must not be underestimated. No one's interest would be served by new tragedy.

We are encouraged that a large number of Arab states have either supported the Lebanon-Israel Agreement or have supported Lebanon's right to decide for itself what is best for Lebanon. Only a few—like Libya—have joined Syria in rejecting the agreement. It is our strong hope that Syria will ultimately decide it does not wish to bear the onus for standing in the way of Israel's withdrawal from a neighboring Arab state and that Syria's interests will be served by supporting Lebanon's right to full sovereignty over its own country. The dialogue on these issues continues.

I realize that Americans are concerned about Lebanon, not only because the crisis there threatens the peace of the entire region, but because U.S. Marines remain deployed in Beirut, together with French, Italian and British forces, with the Multinational Force. The MNF, which is serving in response to Lebanon's request, is providing valuable back-up to the efforts of the Lebanese Government to preserve peace and order in the Beirut area as it works to extend and assure its authority. We expect the MNF to continue this role in the near term. It is not possible to predict how long Lebanon will need the MNF for this valuable support role. Lebanon's request of some time ago for expansion of the MNF is still on the table. But all the troop contributors have agreed that no decision on the issue can be made until Israeli, Syrian and PLO withdrawals are underway. The Lebanon-Israel Agreement, which deals with the situation in southern Lebanon, makes no reference to the MNF.

The Agreement does, however, envisage a continued role for UNIFIL, the United Nations peacekeeping force, when the Agreement is implemented. It foresees that the presence of UNIFIL will assist the Government of Lebanon in reassuring Palestinian civilians located in the Sidon and Tyre areas in southern Lebanon of their safety. We believe this reassurance could be an inducement for the departure of PLO forces who remain in the northern and eastern parts of the country.

UNIFIL has performed an important service in Lebanon over the years in helping the Lebanese Government protect its sovereignty and territorial integrity. The United States supports a continued role for UNIFIL. Not only in the South as envisaged in the Agreement, but elsewhere in Lebanon in response to the needs of the Lebanese Government. Of course, it will be up to Lebanon, working with the UN Security Council, to develop an appropriate mandate for UNIFIL in the future.

Before turning to another topic. Let me say a word about the attack on our Embassy in Beirut on April 18 that shocked and outraged people everywhere and took the lives of 17 Americans and over 40 Lebanese employees and bystanders. I want to emphasize that we are thoroughly investigating that incident to ensure that we are doing all that we can to protect against recurrences of such savage acts against our diplomatic establishments. We have, over the years, devoted great efforts to securing our embassies against terrorism. However, we have learned to face the fact that drastic defensive measures to make our embassies invulnerable to attack would make it impossible for them to carry out the public functions they must perform. American embassies cannot be fortresses, and American officials abroad cannot be shielded from all danger if they are to do their jobs.

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MR. HAMILTON. Thank you very much, Mr. Secretary.

The commander of the Marine peacekeeping contingent [63] said that he thought the Marines would have to be there for roughly 15 months more, and that after that period, Lebanon would be able to handle things for themselves.

Do you agree with that assessment?

MR. VELIOTES. I certainly don't quarrel with it, sir.

MR. HAMILTON. Is it reasonable for us to anticipate that the Marines will have to be there roughly another 15 months?

MR. VELIOTES. I would think so.

MR. HAMILTON. What is the likelihood that we will have to increase the number of the Marines or the scope of their responsibilities?

MR. VELIOTES. Well, sir, the mission of the Marines I do not see changing. The MNF is there as a presence, not to engage in law-and-order activities, but as a backup and reassurance for the growing Lebanese capability to do this peacekeeping, law-and-order function, itself.

As far as additional numbers, there has been no change on this, I think, since the last time we met. There has been some preliminary discussion by the Government of Lebanon about the possible desirability of increasing the numbers. But this has always been understood by the various contributing countries to be in the context of a different situation—when the foreign forces are withdrawing, and the Lebanese Government is extending its control.

MR. HAMILTON. There have been a lot of reports about the prospects of a clash between the Israelis and the Syrians militarily in Lebanon. What is your assessment of that situation?

MR. VELIOTES. Well, the prospect we have to face realistically is always there—the possibility is there. There are large numbers of Syrian and Israeli troops in Lebanon. The latest estimates are about 50,000 Syrians, maybe 20,000 Israelis. At one checkpoint, I believe, they are 300 meters from each other. When you have a situation like that, there is danger. And, as you know, in the last 10 days, there was a dramatic increase in tensions. Fortunately the tension seems to have subsided somewhat.

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MR. LANTOS. How would you evaluate the performance of Saudi Arabia in responding to the plea of our Secretary of State, our Secretary of Defense, to persuade the Syrians to recognize that we have an opportunity for a peaceful breakthrough in the area?

MR. VELIOTES. I am sure the committee is aware of the public Saudi statement on the Lebanese situation. [64] It is a carefully

[63] Colonel James M. Mead.

[64] On May 19, Saudi Second Deputy Prime Minister and Minister of Defense Amir Sultan

Continued

crafted statement which endorses the right of the Government of Lebanon to make difficult decisions while stopping short of support for the agreement itself. And I think you will have noticed that the majority of the Arab countries has taken a stand like that. Only the Libyans have taken—

MR. LANTOS. But the vast majority of them do not have the leverage with the Syrians that presumably the Saudis have.

MR. VELIOTES. Yes, individually, you are correct, sir.

Now Saudi Arabia gave its support and encouragement to our efforts to negotiate a withdrawal agreement between Israel and Lebanon. And let me say for the record that before the Secretary went out, our Arab friends were telling us that American credibility now in the area really depended upon our demonstrating that Israel was prepared to withdraw from Lebanon. Fortunately, we got to Jerusalem and found virtually an open door in that respect. But nevertheless, we were told this was terribly important, we must understand that.

MR. LANTOS. Did that come as a surprise to you, Mr. Secretary?

MR. VELIOTES. That the Israelis did not want to stay in Lebanon and create the North Bank and link in their water system to the waters of the Litani; no, not at all. But there was a conventional wisdom that had grown up, sir, as you know.

I might say that if you wanted to make a fortune about April 20 last year, you could have laid bets around the Arab world about the Israelis withdrawing from the Sinai, because you had the same view.

The Secretary met with the assembled ambassadors in Cairo, and got the message to them to reinforce our views in the countries that they were associated with, the Arab countries.

So that was our aim, that was our goal, and it was achieved.

Now, the Saudis supported our effort. They took the unusual step of issuing a public statement along the lines that I described. And the Saudis are engaged in this manner in keeping the lines of communication open amongst the parties, to try to find a way for the Lebanese and the Syrians to reach an agreement that would allow Lebanon to be truly free.

Now, for them to be most effective, they do things very quietly, and they move in their own manner, in their own political culture. We are in close consultation with the Saudis. We very much appreciate not only their efforts, but their goals.

The Saudi effort has to be seen in the context of what I said earlier, about the general attitudes of the Arab mainstream.

There is a discomfort with the agreement, for a lot of the logical reasons the committee is aware of. But only Libya, to the best of my knowledge, has joined Syria in actual rejection.

So there is an Arab League resolution stemming from the Fez summit which endorses Syrian withdrawal in light of Israeli withdrawal, that has been interpreted for us by those who drafted it as meaning simultaneous.

But to conclude on this, the Saudis are being helpful.

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Document 361

Address by the President's Special Emissary to the Middle East (Habib) Before the American Jewish Congress, San Francisco, June 4, 1983 (Extract) [65]

Accomplishments of the Israeli-Lebanese Agreement

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From the outset, our objective in those negotiations was straightforward. We sought to restore Lebanese sovereignty and ensure Israeli security. We recognized

ibn 'Abd al-'Aziz said, "The Kingdom is not for the Agreement nor is it against it." (Foreign Broadcast Information Service, *Daily Report: Middle East & Africa*, May 20, 1983, p. C3)

[65] Source: Department of State files.

that these were not separate objectives. A stable, sovereign Lebanon and a secure Israel are two sides of the same coin. The threat to Israel does not come from the Lebanese people but from those external forces still camped on Lebanese soil. It follows that a peaceful Lebanon, free of all external forces and sovereign over all its territory, will be a major contribution to Israeli security.

The agreement as worked out between Lebanon and Israel calls for an end to the state of war. It calls for the two states to recognize each other's right to live in peace within secure and recognized boundaries. Moreover, it provides a basis for a more harmonious relationship between those two countries in the future.

The agreement satisfies the crucial concerns of both sides. From Lebanon's perspective, the agreement is the first step toward the withdrawal of all outside forces and the restoration of its independence and sovereignty. It is no secret that Lebanon would have preferred immediate and unconditional Israeli withdrawal. Reality dictated, however, that Israeli withdrawal could not be achieved in that way.

For Israel, the agreement contains security arrangements designed to ensure against the return of outside forces and to prevent the renewed use of Lebanese territory for hostile actions against Israel. It is no secret that Israel would have preferred early warning stations in Lebanon and other aspects of a residual presence until such time as it was clear the northern border was secure. Yet again, reality dictated that agreement could not be achieved on that basis.

The solution is a workable one which does not infringe on Lebanese sovereignty, but still allows Israel on a periodic basis to satisfy itself that its border remains secure. A pragmatic solution taking full account of the reality of the situation and springing from the idealistic notion that a negotiated agreement was possible.

As you are all aware, the next step in Lebanon is agreement by the Government of Syria to withdraw its forces from that country as well. As we have already seen, this will not be easy. The Syrians have their own legitimate security interests in Lebanon. They have made known their misgivings regarding the agreement. The immediate task is to begin the process of convincing Syria that the withdrawal of its forces from Lebanon is in Syria's interests. Obviously, the durability of the agreement, despite pressures to the contrary, will be an important factor in this equation. Syria must also calculate the risks and advantages to its security of withdrawing or refusing to withdraw its forces. We hope and believe that Syria will decide that its interests in Lebanon are best served through negotiated arrangements to achieve the withdrawal of all external forces from that country.

The Middle East cannot be isolated from Great Power politics, and Lebanon is a case in point. The Soviet Union is in no hurry to lend support to the Israeli-Lebanese agreement, both because it represents a success for American diplomacy and because its successful implementation would constitute a major step toward stability in the area. The Soviet Union is therefore playing a negative role. This is no secret—it is all over the Soviet press. We would welcome a more constructive Soviet stance. Syria, however, is a proud and independent country which we believe will make its own decisions. The primary danger of Soviet obstructionism in this instance lies in the volatility of the situation on the ground and the difficulty of controlling events should hostilities again erupt, even if by accident. We trust that the Soviet Union is as aware of this danger as we are and will be taking its own steps to help defuse the situation.

I might note that Syria, despite its current position, has its own incentives for cooperating with the Lebanese Government. First, the vast majority of other Arab States support Lebanon's right to conclude its agreement with Israel. Second, as a practical matter, Israel will not withdraw unless Syria and the PLO do as well. Does Syria wish to be responsible for the continued Israeli occupation of South Lebanon? Third, Syria has an obvious interest in playing a key role in the broader peace process, an interest it cannot credibly pursue in any constructive way if it insists on frustrating a Lebanon settlement.

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Document 362

Statement by President Reagan, June 27, 1983 [66]

U.S. Interpretation of the Lebanon Emergency Assistance Act

I am pleased to sign into law S. 639, the Lebanon Emergency Assistance Act of 1983. [67] This Act authorizes the appropriation of urgently needed economic and military assistance for Lebanon. The funding authorized by this Act will greatly assist in promoting the economic and political stability of that country, and support the international effort to strengthen a sovereign and independent Lebanon.

Section 4(a) of the Act confirms this administration's announced intention with respect to congressional authorization concerning any future substantial expansion in the number or role of U.S. forces in Lebanon. As indicated in its legislative history, that section does not prevent the initiation of such actions, if circumstances require it, while Congress is considering a request for statutory authorization; nor, of course, is it intended to infringe upon the constitutional authority of the President as Commander in Chief, particularly with respect to contingencies not expected in the context of the multinational effort to strengthen the sovereignty and independence of Lebanon.

[66] Source: White House Press Release, June 27, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, July 4, 1983, p. 931.

[67] *Infra.* The bill passed the Senate on May 20, and the House in amended form on June 2, with the Senate concurring in the house changes on June 15.

Document 363

Public Law 98–43, June 27, 1983 [68]

Lebanon Emergency Assistance Act of 1983

AN ACT

To authorize supplemental assistance to aid Lebanon in rebuilding its economy and armed forces, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Lebanon Emergency Assistance Act of 1983".

ECONOMIC SUPPORT FUND

SEC. 2. (a) It is hereby determined that the national interests of the United States would be served by the authorization and appropriation of additional funds for economic assistance for Lebanon in order to promote the economic and political stability of that country and to support the international effort to strengthen a sovereign and independent Lebanon.

(b) Accordingly, in addition to amounts otherwise authorized to be appropriated for the fiscal year 1983 to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, there are authorized to be appropriated $150,000,000 to carry out such provisions with respect to Lebanon.

(c) Amounts authorized by this section may be appropriated in an appropriation Act for any fiscal year (including a continuing resolution) and shall continue to be available beyond that fiscal year notwithstanding any provision of that appropriation Act to the contrary.

MILITARY SALES AND RELATED PROGRAMS

SEC. 3. (a) In order to support the rebuilding of the armed forces of Lebanon, the Congress finds that the national security interests of the United States would be served by the authorization and appro-

[68] Source: 97 Stat. 214.

priation of additional funds to provide training for the Lebanese armed forces and by the authorization of additional foreign military sales guaranties to finance procurements by Lebanon of defense articles and defense services for its security requirements.

(b) In addition to amounts otherwise made available for the fiscal year 1983 to carry out the provisions of chapter 5 of part II of the Foreign Assistance Act of 1961, there are authorized to be appropriated for the fiscal year 1983 $1,000,000 to carry out such provisions with respect to Lebanon.

(c) In addition to amounts otherwise made available for the fiscal year 1983 for loan guaranties under section 24(a) of the Arms Export Control Act, $100,000,000 of loan principal are authorized to be so guaranteed during such fiscal year for Lebanon.

UNITED STATES ARMED FORCES IN LEBANON

SEC. 4. (a) The President shall obtain statutory authorization from the Congress with respect to any substantial expansion in the number or role in Lebanon of United States Armed Forces, including any introduction of United States Armed Forces into Lebanon in conjunction with agreements providing for the withdrawal of all foreign troops from Lebanon and for the creation of a new multinational peace-keeping force in Lebanon.

(b) Nothing in this section is intended to modify, limit, or suspend any of the standards and procedures prescribed by the War Powers Resolution of 1973.

Approved June 27, 1983.

Document 364

Statement by the Secretary of State (Shultz), Damascus, July 6, 1983 [69]

U.S.-Syrian Discussions on the Israeli-Lebanese Agreement

Our time here has been, first of all, very pleasant. We had dinner last night with the Foreign Minister and his wife and then this morning, the Foreign Minister and I and our delegations talked for about an hour and a half, I think, and then we met with President Assad around 10 o'clock until whenever we broke up a little after 3. The content of our discussion, I think, could be summarized in three points.

First of all, we discussed the Israeli-Lebanon agreement in great length, and we did not find very much to agree about in our analysis of that agreement. Second, we agreed on the great importance of a sovereign, free and independent Lebanon with a strong sense of Government as something that both countries feel is very desirable. Third, we agreed to stay in touch and to consult with each other about how we might help together to attain that objective. And to that end, we all undoubtedly will establish a little working group to help sort out what we may be able to do to help in that regard.

That's a very short summary of a long discussion, but I think it covers the essential parts. Do you agree with that, Mr. Minister? Thank you.

[69] Source: Department of State Press Release 278, July 11, 1983; also printed in Department of State *Bulletin*, September 1983, p. 44. The Secretary made these remarks upon his departure from Damascus. Between July 4 and 7, Shultz visited Jidda, Beirut, Damascus, Tel Aviv, and Cairo, following his trip to South Asia.

Document 365

Resolution 536 (1983), Adopted by the U.N. Security Council, July 18, 1983 [70]

Three-Month Extension for UNIFIL

The Security Council,

Having heard the statement of the Minister for Foreign Affairs of the Republic of Lebanon, [71]

Recalling its resolutions 425 (1978) and 426 (1978), and all subsequent resolutions on the United Nations Interim Force in Lebanon,

Recalling further its resolutions 508 (1982), 509 (1982) and 520 (1982) [72] as well as all its other resolutions on the situation in Lebanon,

Reiterating its strong support for the territorial integrity, sovereignty and political independence of Lebanon within its internationally recognized boundaries,

Having taken note of the letter of the Permanent Representative of Lebanon [73] to the President of the Security Council of 5 July 1983 (S/15868),

Having studied the report of the Secretary-General (S/15863), and taking note of his observations and recommendation expressed therein,

Responding to the request of the Government of Lebanon,

1. *Decides* to extend the present mandate of the United Nations Interim Force in Lebanon for a further interim period of three months, that is, until 19 October 1983;

2. *Calls upon* all parties concerned to cooperate with the United Nations Interim Force in Lebanon for the full implementation of its mandate as defined in resolutions 425 (1978) and 426 (1978) and the relevant decisions of the Security Council;

3. *Requests* the Secretary-General to report to the Council on the progress made in this respect.

[70] Source: U.N. Security Council Resolution 536 (1983). The resolution was adopted by a vote of 13 to 0, with Poland and the Soviet Union abstaining.

[71] Elie Salem addressed the U.N. Security Council on July 18, 1983. See U.N. document S/PV. 2456.

[72] For texts, see *American Foreign Policy: Current Documents, 1982*, pp. 803, 805, and 859.

[73] M. Rachid Fakhoury.

Document 366

Remarks by President Reagan, July 22, 1983 [74]

Assurances to Lebanese President Gemayel of U.S. Support for Lebanon

THE PRESIDENT. It's a great pleasure to welcome our friend, President Gemayel, to the White House again. We've had excellent talks today covering many vital concerns of both our countries. During his first visit here, 9 months ago, [75] President Gemayel and I discussed the principles upon which United States policy toward Lebanon is based: The full withdrawal of all foreign forces from Lebanon; support for a strong central government capable of asserting its authority over all of Lebanon; and security for Israel's northern border.

Today I've reaffirmed these principles to President Gemayel. A united sovereign and independent Lebanon, free of all foreign forces is the legitimate aspiration of the Government and the people of Lebanon and a goal shared by the people of the United States.

Our talks today focused on the next steps in securing Lebanon's independence. We admire the courage and wisdom demonstrated by the Lebanese Government during its negotiations that resulted

[74] Source: White House Press Release, July 22, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, July 25, 1983, pp. 1035–1036. The President spoke to reporters on the South Grounds of the White House beginning at 1:18 p.m. following a meeting with President Gemayel, who visited Washington July 19–23, 1983.

[75] President Gemayel visited Washington October 18–19, 1982.

in an agreement for the departure of Israeli forces. The United States remains firmly committed to the earliest possible resolution of the conflict in Lebanon.

This morning President Gemayel and I have gone over the difficult agenda and have agreed on next steps which we should take together to set this process in motion and carry it through. And I have today designated Robert McFarlane, currently my Deputy Assistant for National Security Affairs, as my personal representative in the Middle East. In that role, he will succeed Philip Habib, who must return to his business and academia duties. Phil has set a high standard in bringing us through eight months of difficult negotiations to the situation we face today and he will be sorely missed.

After further consultation here in Washington next week, Bud McFarlane and his team will depart for the Middle East within 10 days. I'm happy to have had this opportunity to confer with President Gemayel once again. I'm impressed with the progress that he and the Government and people of Lebanon have made in rebuilding their country. It's my belief that energy and perseverance will triumph in the end. And as I told President Gemayel, we do not lack for either. Lebanon can count on our support.

. . . . . .

Document 367

Transcript of a Press Conference by President Reagan, July 26, 1983 (Extract) [76]

U.S. Opposition to the Partition of Lebanon

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Q. Sir, the Lebanese President said this past week that the Israeli partial withdrawal in Lebanon amounted to de facto partition of that country. Do you agree?

THE PRESIDENT. I—no, I am very hopeful that if this partial withdrawal takes place that it will be recognized and admitted to be, by the Israelis, as one phase of their agreement to withdraw. If they withdraw in a phased withdrawal, it certainly will give us a better case for breaking the roadblock that has been established by Syria and persuading them to keep their original promise that when others withdrew they would withdraw. The—I can't answer as to whether that is the way that this is going to be perceived, or whether the Israelis will admit to it or not, but I will be talking in a couple of days with the two Ministers who are here from Israel, [77] and about this very thing.

But if this is a phased withdrawal, I think there is fear if there is simply withdrawal to another line and then a digging in and fortifying along that line, that this would be what it looks [like] Syria is doing and that is simply trying to partition Lebanon, reduce Lebanon, and grab off some territory themselves, but with the agreement that's been signed between Lebanon and Israel, I don't think Israel has that in mind.

Q. Sir, what would happen if Lebanon is partitioned? Would it be that awful?

THE PRESIDENT. Well, I just believe that the people of the country have a right to determine their own destiny, choose their own government, and if it was partitioned, it would be occupation by other countries and, yes, I think that is awful. We set out to help Lebanon after all these years of strife regain sovereignty of its own land, protection of its own borders, and we're helping in every way we can to bring that about.

. . . . . .

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[76] Source: White House Press Release, July 26, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, August 1, 1983, p. 1054. The President met with reporters in the East Room of the White House beginning at 8:02 p.m.

[77] The reference is to the visit of Foreign Minister Yitzhak Shamir and Defense Minister Moshe Arens, July 26–28, 1983.

Document 368

Statement by the President's Principal Deputy Press Secretary (Speakes), Santa Barbara, California, August 19, 1983 [78]

U.S. Confidence in Israel's Partial Withdrawal As First Step Toward Full Withdrawal

Four weeks ago President Reagan reaffirmed his commitment to three fundamental goals in Lebanon—the earliest possible withdrawal of all foreign forces; the extension of Lebanese sovereignty throughout its territory; and that Lebanon shall not again become a source of hostile actions against Israel. [79] The agreement concluded between Israel and Lebanon on May 17 is an important step toward achievement of these goals. The President directed that U.S. efforts be renewed in a mission to the Middle East headed by Ambassadors Robert McFarlane and Richard Fairbanks.

Since that time Ambassadors McFarlane and Fairbanks have traveled extensively throughout the region undertaking intensive talks with Arab and Israeli leaders. Several conclusions have emerged from these talks.

First and foremost is the solid foundation of support in the Arab world and in Israel for the principles of full withdrawal and full authority for the Lebanese Government. Equally clear is the enormity of the task the Lebanese Government faces in seeking to strengthen the consensus among the diverse confessional groups in Lebanon which is so essential to the reconstruction and revitalization of the Lebanese economy and the establishment of political stability. It is clear that President Gemayel is committed to these goals.

In its efforts the Government of Lebanon will soon face an opportunity to restore stability and extend the process of reconstruction and consensus building to the districts of Alayh and Shuf as the Government of Israel withdraws its forces from these areas. [80] This move by Israel is the first in a process of withdrawal envisaged in the May 17 agreement. In recent weeks some have questioned the motives underlying this withdrawal by Israel saying that it presages a permanent partition of Lebanon. We are convinced that the Israeli Government is committed to the full withdrawal of its forces in Lebanon. In this regard it is instructive to note official Israeli statements such as the following:

> "It is the policy and the intention of the Government of Israel to withdraw from the whole of Lebanon and that the redeployment of our forces along the Awwali line is only part of that total withdrawal. (and further)
>
> "It is our firm desire to see a strong central government restoring its authority over the whole of Lebanon and maintaining security throughout its 10,452 square kilometers; thus, all allegations regarding Israeli intentions of bringing about a partition or division of Lebanon are completely baseless and totally without foundation."

We are confident that further Israeli withdrawal will take place as efforts continue to secure the concurrent withdrawal of PLO and Syrian forces.

The United States pledges its best efforts to help create conditions which will allow these withdrawals to take place at the earliest possible moment.

Within this context, the Governments of Israel and Lebanon will coordinate the smooth and orderly return of responsibility in the Alayh–Shuf areas. Concurrently, efforts by the Government of Lebanon to strengthen the consensus will continue so that stability and reconstruction can take hold.

We call upon Syria and the PLO for a corresponding process of withdrawal so that Lebanon can be restored as a unified, sovereign, independent country.

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[78] Source: White House Press Release, August 19, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, August 29, 1983, pp. 1155–1156.

[79] See document 366.

[80] Israel pulled back its forces from the Shuf to a security zone in southern Lebanon.

Document 369

Letter From President Reagan to the Speaker of the House of Representatives (O'Neill), August 30, 1983 [81]

The Death of Two U.S. Marines

DEAR MR. SPEAKER: On September 29, 1982, [82] I reported to you concerning the introduction of United States Armed Forces in Lebanon to participate in the Multinational Force (MNF) requested by the Government of Lebanon. The presence of this Force was designed to facilitate the restoration of Lebanese Government sovereignty and authority, and thereby further the efforts of the Government of Lebanon to assure the safety of persons in the area and bring to an end the violence that had tragically recurred. I directed this deployment pursuant to my constitutional authority with respect to the conduct of foreign relations and as Commander-in-Chief of the U. S. Armed Forces.

We have periodically provided Congress with updated information on the activities of these forces and on the circumstances of their deployment in Lebanon. In light of recent events, I am providing this further report on the deployment, in accordance with my desire that Congress continue to be informed on this matter, and consistent with Section 4 of the War Powers Resolution.

On August 28, sporadic fighting between Lebanese Armed Forces and various armed factions took place in South Beirut; from time to time during the course of this fighting, positions in the vicinity of the Beirut airport manned by U.S. Marines of the MNF came under small-arms fire (without injury to U.S. personnel), and this fire was returned. On August 29, fighting erupted again. Marine positions came under mortar, rocket, and small-arms fire, with the result that 2 Marines were killed and 14 wounded. In addition, several artillery rounds fell near the U.S.S. *Iwo Jima* (an amphibious support vessel lying offshore), with no resulting damage or injuries. As contemplated by their rules of engagement, U.S. Marines returned fire with artillery, small arms, and, in one instance, rocket fire from a helicopter gunship. There were additional exchanges of fire earlier today, August 30, without injury to U.S. personnel.

Later today, a cease-fire came into effect in the area in which the Marines were deployed, and firing on Marine positions ceased. Diplomatic efforts are underway to extend this cease-fire. In the meantime, U.S. forces will be prepared to exercise their right of self-defense should such attacks recur.

I believe that the continued presence of these U.S. forces in Lebanon is essential to the objective of helping to restore the territorial integrity, sovereignty, and political independence of Lebanon. It is still not possible to predict the duration of the presence of these forces in Lebanon; we will continue to assess this question in the light of progress toward this objective.

I will keep the Congress informed as to further developments with respect to this situation.

Sincerely,

RONALD REAGAN

Document 370

Statement by the Secretary of State (Shultz), August 31, 1983 (Extract) [83]

U.S. Support For Lebanese President Gemayel's Call For an End to Confessional and Communal Violence

SECRETARY SHULTZ. I want to begin this press conference by talking first about the

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[81] Source: White House Press Release, August 30, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, September 5, 1983, pp. 1186–1187. The President sent an identical letter to Strom Thurmond, President pro tempore of the Senate.

[82] See *American Foreign Policy: Current Documents, 1982*, p. 871.

[83] Source: Department of State Press Release 326, August 31, 1983; also printed in Depart- *Continued*

situation in Lebanon, a land that has known too much bloodshed and violence for too long.

As we all know, there has been widespread fighting recently throughout Beirut and its suburbs. At present, we're advised by the Lebanese central authorities that effective measures are being taken to restore order. We all pray that they will be successful.

An historic problem in Lebanon has been to find a formula for reconciling the various communal and confessional groups. President Gemayel has been working hard to do just that throughout his tenure in office. Today, with his Council of Ministers, he issued a call for key Lebanese leaders to join in a dialogue aimed at constituting a new national approach to reconciliation and unity.

The Government of the United States firmly supports this effort, consistent as it is with President Reagan's firm policy of support for an independent Lebanon, free of all foreign forces with appropriate security arrangements for Israel's northern border. We intend to help President Gemayel in his new initiative in every way possible, through our own efforts and through cooperation with our partners in the Multinational Force—France, Italy and Great Britain.

—We call upon the international community in general, and in particular on Syria, which has the largest army in Lebanon, to respect and support this process.

—We will continue to provide training and support for the Lebanese armed forces.

—We will continue our active diplomatic engagement through Ambassadors McFarlane and Fairbanks as we did earlier through Ambassadors Habib and Draper.

—And we will continue to maintain our support for the Multinational Force and for the United States Marine component of that force. Let no one doubt that if attacked, the Marines will take care of themselves with vigor.

Our goals have been clearly stated on many occasions. We will continue to work energetically to achieve those goals.

The recent outbreak of fighting in recent days in Lebanon has been tragic. It must be brought to an end. That will not be easy. We must recognize that fact, but we must also recognize the importance to the world as a whole of a secure and peaceful Lebanon. Determination, patience and strength of will are required in the weeks and months ahead.

The problems of Lebanon, important in their own right, are at the same time a part of the greater question of peace for all the Middle East. President Reagan addressed himself to that broader issue a year ago on September 1.

. . . . . .

Document 371

Transcript of a Press Briefing by the Secretary of State (Shultz), September 9, 1983 (Extract) [84]

"It's Up to the Lebanese Armed Forces To Take Control of the Situation"

. . . . . .

Q. On Lebanon, first, after the Israeli invasion we had a U.S. mediator there. Then we had as a result of the mediation, 1,200 Marines there. Then we had as a result of the Marines getting in difficulty, 2,000 more Marines and a naval task force offshore. Now, we've had firing from the naval force in order to protect the men who are now on the ground. It seems like step by step, the United States is becoming militarily involved in the Middle East in a way in which we never have in recent years anyway. How do you look at this train of circumstances and what do you

ment of State *Bulletin*, October 1983, pp. 37–38. The statement was made at the outset of Secretary Shultz's press conference. For full text of the press conference, see *ibid.*, pp. 37–40.

[84] Source: Department of State files. Secretary Shultz briefed reporters aboard his plane while en route to the United States from Madrid, Spain.

see as the way in which the flow can be turned in the other direction? How long and how deeply are we prepared to become involved in the situation which obtains in that country?

SECRETARY SHULTZ. We are there in all of the roles that you identified in an effort to be helpful and at the invitation of the Government of Lebanon now with our armed force. Their role is a role of stabilization and peacekeeping. As we've stated, we'll defend ourselves—the Marines will defend themselves and we'll support those Marines. And the other MNF forces feel the same way. Our concept is and the way the mission is stated is it's up [to] the Lebanese armed forces to take control of the situation as I believe they have in greater Beirut and our presence and the presence of our partners can help them do that in a whole variety of ways. It probably boils down to helping them that those who think they may get somewhere by roughing us up are experiencing the fact that we will defend ourselves and we're capable of doing that and so are the French and so are the others. Now, having said all that obviously the situation in Lebanon is in very considerable turmoil and while we've had some successes in our diplomacy and in our effort, we're very far from where we would like to be. So it's a tough row to hoe and not only there but in the Middle East diplomacy generally, but the United States has been at it a long time and we'll continue to work at it. There are one or two promising developments that I don't even entertain in the back of my mind but still there are some things that are on the plus side but at the same time you can't help but concentrate on the situation at hand and many of the developments in the Shouf and the Aleyh regions are—they're hard for us to do anything about but they are very hard to contemplate, too, that these groups that get isolated and are subject to widespread killings and there have been several incidents of that and more are threatened.[85] That's very difficult but I think that's fundamentally up to the Government of Lebanon to come to grips with their own internal situation and to the extent that we can help them do that and help them get stability where they can attain it and help to get others to stop stirring it up, well, that's all the good and I think worthwhile and I think it's something we should measure up to.

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[85] The reference is to sectarian conflict between Druze and Christian forces for control of areas vacated by the Israelis.

Document 372

Statement by the Assistant Secretary of State for Near Eastern and South Asian Affairs (Veliotes) Before the Senate Foreign Relations Committee, September 13, 1983[86]

The Marines' Promotion of U.S. Policy Goals for Lebanon

It is a privilege to appear before the committee again, sir. I would like to introduce all of my colleagues at the table with me: The legal adviser, Davis Robinson, is to my right; and, as you have already noted, we have General Kelley and Adm. Jonathan Howe, who is Director of the Office of Politico-Military Affairs.

To begin, Mr. Chairman, I would like to make a few comments to put the subject of today, which is Lebanon and, more specifically, the role of the marines, the presence of the marines, in a policy context.

First let me read you the principles which underlie our policy toward Lebanon. Let me repeat them. You already stated them: The withdrawal of all external forces; a sovereign Lebanon under a strong central authority, dedicated to national unity and able to exercise control throughout the territory; and security for Israel's northern border.

These principles have not changed in the past several years. They are a constant of our policy. They also form the basis of the May 17 agreement between Israel and Lebanon.

In your opening statement, sir, you noted the importance of the American

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[86] Source: *Events in Lebanon: Hearing Before the Committee on Foreign Relations, United States Senate, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 2–4.

people understanding what were the American national interests in Lebanon. Our goal is to promote the peace and stability of Lebanon, a key country on the borders of Israel and Syria. This peace and stability is good for Lebanon and we believe it is good for the entire area.

Conversely, a Lebanon which is at war with itself, which is subject to the perpetual conniving of foreign forces, which is occupied by foreign forces, is going to be a perpetual source of instability in the area. This is a tragedy for the people of Lebanon and, beyond that, it will be a major problem until it is resolved with respect to moving forward more broadly on the peace front.

Our marines are in Lebanon to promote our policy goals for Lebanon, which are intimately related to our hopes and expectations for a broader peace in the area. The role of the marines is very much on all of our minds, particularly in the period of the most recent past, when we suffered our first fatalities.

Let me emphasize that our marines are part of a multinational force [MNF].[87] Our allies, the British, French, and Italians, are committed to our fundamental goals in Lebanon. We share the commitment to a strong Lebanon and we have all rededicated ourselves to supporting the constitutionally elected Government of Lebanon.

The MNF continues to provide great essential psychological support for the government and its armed forces, and this contributes as well to the greater security of Beirut.

We mourned the casualties suffered by our marines and our MNF partners. This is indeed a tragedy for the forces who were there to contribute to peace in Lebanon and in the area.

The President is determined to take every possible measure to defend our contingent. We have moved to increase the number of marines offshore available to the MNF if necessary.

Now, the underlying premise under which the MNF was deployed to Beirut remains valid: Lebanon is worth saving, for the reasons that I described earlier, and the MNF is playing an important role in that effort. We and the other participants in the MNF are determined to afford our military personnel the best possible protection while they are there.

The MNF has performed magnificently. We can all be proud of their role and show our support for the marines.

The Lebanese Armed Forces are performing better than some expected and predicted. The army is together as a unit, suffering casualties as a unit. This is a very important development and it may mean that at long last the Lebanese can move forward on the road of national reconciliation, which is essential.

We should note that the army has done a very professional job, making good use of the training and equipment provided by U.S. assistance, which has been approved by the Congress.

Now, the politics of Lebanon are very complex. It has a history of power struggle and violence, but for many years the country thrived because political rivalries were overcome, negotiated out, and a delicate balance was maintained.

We strongly encouraged President Gemayel to persevere in his current effort to engage all of the leaders of Lebanon's communities in a dialog on political unity. We hope to work constructively with all the Lebanese toward a better future with restored political balance.

Now, we are not naive in this view. The difficulties are recognized. But it has worked in the past and it can work again.

One ingredient that will be essential to ultimate success is the negotiated withdrawal of all foreign forces. That is not going to be easy, but this is an achievable goal. Ambassador McFarlane is leading our efforts and he is doing a remarkable job under the most difficult conditions.

Now, at the current time achieving a cease-fire is essential as the first step toward moving along the path that the Government of Lebanon has chosen, the path of political reconciliation. We have had help in working with the Government of Lebanon in trying to achieve this cease-fire. The Saudis have been very active. This is a matter of public record. The Jordanians, Egyptians, and others have been very supportive of our efforts.

[87] Brackets appear in the source text.

Ambassador McFarlane flew to Saudi Arabia yesterday, where he is discussing the latest iteration of a cease-fire proposal. He will then have to move on to seek the support of other parties. I do not know exactly where he will go next.

Now, this will not be an easy task. As we all know, in the Damascus bazaar there is a road whose name is The Street Called Straight. Unfortunately, negotiations in the Middle East rarely follow that path.

Thank you, Mr. Chairman.

Document 373

Transcript of an Interview With President Reagan, September 16, 1983 (Extracts) [88]

Rules of Engagement for the U.S. Contingent to the Multinational Force

Q. Mr. President, your administration, however, seems to be in a bit of an untenable position of claiming that Marines in Lebanon aren't involved in hostilities even though four of them have been killed.[89] What is your definition of hostilities in this kind of a situation?

THE PRESIDENT. Well, again, since this is all part of the things that are being negotiated I am a little hard put to comment on that question. Let me say that the term "imminent hostilities" which is incorporated in the War Powers Act seems to be some, or there seem to be some legal disagreements about the technicalities and the meaning of that. There is no question but that there is danger, but then this had to be anticipated in the very sending in of the multinational force. There are four countries represented there.[90] We sent a force in, not to engage in combat, but to lend the stability and an order when the foreign forces in Lebanon would withdraw and then the Lebanese Government for the first time in 8 years would set out with its own Armed Forces to reestablish its control over its territory and its borders, but this force would be behind, but with the factional fighting that for 8 years has been going on, we were aware that that was not exactly sending them on a vacation.

. . . . . .

Q. Mr. President just changing the subject to Lebanon itself, we are told that by next Friday the battleship *New Jersey* will be off the coast of Lebanon. Does this indicate an escalation and are we heading for a small war?

THE PRESIDENT. No. That is not our intention and our mission has not changed, the mission that I described earlier of being a stabilizing force there as we try to, or as Lebanon tried to reinstate itself as a sovereign nation with control of its own territory. No. We have no intention of enlarging forces. We have no intention of—

Q. What is the mission of the *New Jersey*?

THE PRESIDENT. We have found in this danger that I described before as we all know that in the factional fighting that is going on which is aided and abetted by the Syrians, who are definitely influenced by the Soviet forces in their country now, by Palestinians, PLO, who have come back in after having been ousted from Lebanon, and there have been direct assaults upon the multinational forces. We have taken casualties. We have had fatalities. So have our allies and I have given orders that the Marines are going to be able to protect themselves. We're not asking them to sit there—

Q. And that includes, if necessary, firepower from the *New Jersey*?

THE PRESIDENT. Yes. And we have already on one occasion as you know used

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[88] Source: White House Press Release, September 16, 1983. Office of the Press Secretary to the President. The President was interviewed in the Oval Office by Mel Elfin, Thomas M. DeFrank, and Eleanor Clift of *Newsweek* Magazine. Excerpts from the interview were published in the September 26, 1983, issue of *Newsweek*, p. 27.

[89] In addition to the two Marines killed on August 29, two more were killed on September 6.

[90] France, Italy, the United Kingdom, and the United States.

naval gunfire to silence the guns that were shooting at our men.

. . . . . .

Q. Can I go back to the question of military force. You said you are prepared to have the Marines defend themselves. Are you prepared to let the Marines leave their defensive positions for instance and operate with the Lebanese Army if necessary?

THE PRESIDENT. No. That has never been a part of our consideration. They are in areas as are the military men of the other nations, designated areas, positions and no, we have not suggested that they involve themselves because that would be involving them in the combat that is going on. No. They are to defend themselves.

Q. Mr. President, have you thought about how much more military force you are prepared to use in Lebanon and under what circumstances?

THE PRESIDENT. Whatever is necessary to protect our men.

. . . . . .

Q. It seems that Lebanon has turned into such a festering sore that we have almost even forgotten about the entire peace plan.

THE PRESIDENT. Yes, but remember the situation when we started. Remember the forces that were fighting there, the Israelis against the PLO that were entrenched in the heart of the city, the hundreds and hundreds of civilian casualties that were taking place. We now have an agreement, a pact between Lebanon and the Israelis. They have made one phase of withdrawal and have promised and assured us that they are going to leave Lebanon.

Now, at that time, Syria had said that it, too, would leave, that when everyone left they would leave. Then came the Syrian reversal in which they now deny or refuse to leave and are insisting on control in the sense over another sovereign nation, Lebanon.

There was the assassination of Gemavel, the brother of the president, the president who had been elected president and now we have the new president. So what has happened is the bulk of the conflict that we are having is the kind of disorder that began 8 years ago in Lebanon when the various factions, the Druse, the Phalangists, each one of whom, these separate groups created their own militia, their own armed force and now what had not been anticipated with Syria promising to get out was not only their reversal but now their backing and promoting of the Druse, and the Phalangists in all of this fighting and in their resistance to the Lebanese armed forces who are trying to restore order.

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Document 374

Testimony by the Secretary of State (Shultz) Before the House Foreign Affairs Committee, September 21, 1983 (Extracts) [91]

Executive-Congressional Compromise on Lebanon and Restatement of U.S. Objectives

Mr. Chairman, distinguished members of this committee, I welcome this chance to talk with you about our objectives in Lebanon and about the importance President Reagan attaches to cooperating with the Congress in pursuit of these objectives.

The challenge in Lebanon is a challenge we face together, as a Nation. The issues are not partisan issues. At stake are goals and principles of American foreign policy

[91] Source: *Statutory Authorization Under the War Powers Resolution—Lebanon: Hearing and Markup Before the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 2–7, 12. The Secretary was testifying in response to H.J. Res. 364 and H.Res. 315. The former was introduced on September 20, and was intended to invoke the War Powers Resolution in regard to the U.S. military presence in Lebanon. Secretary Shultz made essentially the same statement in testimony that day at a Senate Foreign Relations Committee hearing on the War Powers Resolution.

on which I dare say there is a broad measure of consensus.

Whatever legitimate differences there may be over tactics or prerogatives, our leadership in the world is clearly impaired if the President and the Congress attempt to conduct two different foreign policies. We must work together to meet our common, national responsibility or else our common, national interests in the world will suffer.

In the last 15 years, there have been instances of deadlock between our two branches of Government which resulted in harm to our foreign policy, and human tragedy. The President is determined that this will not be such a case.

This is the spirit in which we approach this problem, and I am heartened by the similar spirit I have seen in the Congress. As President Reagan said yesterday, we support the bipartisan leadership agreement that has been reached.[82] This agreement, in my view, serves the national interest.

Let me explain the administration's view of what is at stake in the Middle East, and in Lebanon; what our diplomacy is attempting to accomplish there; and why the presence of our Marines has been of enormous importance.

Our policy in the Middle East: It is almost 10 years since the October 1973 war, and for the past decade the United States has been vigorously and almost continuously engaged in Middle East diplomacy.

Given our strong moral and political commitment to Israel and our many strong friendships in the Arab world, we have always perceived that a negotiated solution to the Arab-Israeli conflict was in the national interest of the United States.

Israel and its Arab neighbors deserve to live in peace and security; the Palestinian people deserve a just solution to their legitimate rights and aspirations; all the nations of the region deserve a future free of external intervention or superpower confrontation.

The road to peace is long and hard, and we have no illusions about it. But we can be proud of the role our country has played in bringing about many significant steps toward peace in the past 10 years.

Just over a year ago, President Reagan addressed himself to the broader questions of Middle East peace in a major initiative, which offered—and still offers—the most practical and workable and hopeful basis for negotiation. Anyone in the Middle East who truly seeks a just, secure, and comprehensive solution to the conflict will have to turn in the direction of the President's initiative, firmly grounded as it is in the Camp David Accords and U.N. Security Council Resolutions 242 and 338.

The crisis in Lebanon cannot be isolated from the larger Middle East crisis. It involves many of the same parties concerned with the broader issues of Middle East peace. It involves similar questions of security, respect for sovereignty, and peaceful settlement of disputes.

To advance toward a peaceful solution in Lebanon will contribute to the broader peace process; setbacks in Lebanon will make the broader effort that much harder.

Our objectives and policy in Lebanon: Our objectives in Lebanon have, from the beginning, been essentially threefold: The withdrawal of all external forces from Lebanon; a sovereign independent Lebanon dedicated to national unity and able to exercise control throughout its national territory; and security for Israel's northern border, so that the inhabitants of northern Israel can live in safety and without fear of artillery and rocket attacks.

These objectives are not changing. They are, and have been, a constant of our policy. The latest outbreak of fighting should not cause us to lose sight of them.

Lebanon is a proud and beautiful country, whose people have contributed much to the world. Yet it has also had a com-

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[82] On September 20, President Reagan informed reporters at the White House that, "While I have substantial reservations about parts of this resolution—reservations which I made clear to the leadership—I am pleased that this agreement among the congressional leadership supporting our presence and policies in Lebanon has been reached, and I would be willing to sign the proposed resolution, while expressing my reservations, if it is passed in the form that has been presented to me this morning." For text of his statement, see *Weekly Compilation of Presidential Documents*, September 26, 1983, p. 1280. One of the issues in dispute was the duration of the Marines' participation in the multinational force. The President wanted 18 months.

plex and turbulent history. The roots of enmity in that country go very deep indeed.

Nevertheless, for many years Lebanon thrived because political rivalries were accommodated and a delicate balance maintained. Our country, too, suffered a tragic civil war, but we survived and overcame it.

The people of Lebanon remember a happier time when their nation was a dynamic, progressive, and prosperous democracy. The yearning for peace, too, runs deep in Lebanon.

With the end of the terrible ordeal of Beirut last summer and the election of President Amin Gemayel shortly thereafter, it appeared that Lebanon would get a second chance after all.

Almost all of Lebanon's many confessional groups pledged their loyalty to their new leader and seemed ready to bury their differences in the name of political and economic renewal. War damage was quickly being removed from Beirut and reconstruction seemed well underway.

To consolidate this hopeful beginning, it was clear that Lebanon had, as a matter of top priority, to see to the withdrawal of all non-Lebanese armed forces from its soil. Whatever indigenous barriers to national reconciliation the Lebanese may face and however prepared they may be to overcome them if given a chance, that process can never really get underway so long as Lebanon remains occupied by foreign armies, foreign paramilitary forces, and foreign terrorist groups.

The United States responded favorably to the request of the Lebanese Government—and of many of our Arab friends—to help Lebanon and Israel reach an agreement that would be a first step toward this objective. Israel was prepared to withdraw, and Lebanon was willing to negotiate an agreement that also met Israel's legitimate need for security on its northern border.

After lengthy negotiations, and with a great deal of good will on both sides, Lebanon and Israel reached such an agreement on May 17.

In parallel with this effort, we put our weight behind President Gemayel's movement toward political accommodation of Lebanon's many confessional groups.

On August 31, President Gemayel, with his council of Ministers, issued a call for key Lebanese leaders to join in a dialog on a new national approach to reconciliation and unity. He has made clear his willingness to broaden the base and composition of his Government to reflect a true sharing of power.

This is a policy we have strongly urged, supported, and assisted, and we have no doubt of President Gemayel's sincerity. Ambassadors Robert McFarlane and Richard Fairbanks have devoted considerable time and effort to this enterprise, as has Saudi Arabia.

The problem, of course, has been Syria. The two tracks of Lebanon's policy—foreign troop withdrawal, and national reconciliation—have both been blocked by Syria, which has been heavily rearmed by the Soviet Union since Syria's defeats in battle last summer.

No one questions Syria's legitimate security concerns with respect to Lebanon. But Syria, unlike Israel, has been unwilling to negotiate with Lebanon over how to reconcile its security concerns with Lebanon's sovereign right to follow its own path.

The question arises whether Syria's aim is to assure its security or assure its domination of Lebanon:

Syria now has the largest army in Lebanon, but it has refused to negotiate the withdrawal of its forces, reneging on repeated pledges that it would do so once the Israelis did.

Syria has persisted in this course even in defiance of the Lebanese Government's formal requests at the beginning of September to Syria, the PLO, and the Arab League that all external forces withdraw. Israel has stated its unwillingness to withdraw totally as long as Syrian forces are there; thus Syria is in the ironic position of keeping Israeli forces in Lebanon.

Syria is also permitting the reentry of armed Palestinian groups into the Aleyh/Shuf area in violation of the agreements reached through Ambassador Habib's mediation last year.

At the same time, Syria is using its leverage within Lebanon to obstruct the process of national reconciliation. Indeed, Syria has instigated political opposition

within Lebanon and armed several factions engaged in military actions against the legitimate Government.

Therefore, the immediate focus of our diplomacy, conducted by Ambassadors McFarlane and Fairbanks, is a cease-fire between the various groups in Lebanon. Saudi Arabia has been actively pursuing the same goal.

Jordan, Egypt, and other friendly Arab countries have been very supportive of these diplomatic efforts.

The outcome of this negotiation, as of any negotiation, will depend on the balance of forces. Those who seek to improve their position by force will probably not agree to a cease-fire until they run up against a stalemate on the battlefield.

This brings me to the military situation, and to the role of the multinational force now in Lebanon, which includes, as you know, approximately 1,200 U.S. marines on the ground in the Beirut area.

One year ago, President Reagan dispatched these marines to participate in the multinational force requested by the Government of Lebanon.

The presence of this force was designed to help insure the Lebanese Government's sovereignty and authority; it was also intended to further that Government's efforts to assure the safety of people in the area and to end the violence that had tragically recurred in the massacres of Sabra and Shatila.

British, French, and Italian forces are serving alongside our marines, and thus the multinational force is a truly multinational cooperative effort. Its task is a peacekeeping mission, not a warfighting mission.

Its job is not to take sides in a way, but, on the contrary, to help provide a sense of security for the legitimate Government of Lebanon as it pursues its national sovereignty and national unity.

Most of the key confessional groups and friendly Arab countries supported this role for the multinational force when it was sent to Lebanon, and they continue to support this role.

Now the multinational force is under challenge by those apparently determined to prevent an internal political accommodation. The President has augmented U.S. naval support forces offshore and has authorized U.S. forces to exercise their right of self-defense should attacks on them continue. Our multinational force partners have taken similar or other measures to assure security and self-defense.

We are concerned that key strategic positions in the vicinity of Beirut, which are vital to the safety of our marines, of other American military and diplomatic personnel, and to the security of Beirut, have recently come under attack.

We have responded to these attacks in order to protect our personnel, and will continue to do so. General Kelley will be able to discuss the military situation in greater detail should you have questions about it.

A cease-fire, as I have suggested, will come about only when all parties conclude it is in their interest.

Our strategy in Lebanon is to help create conditions that will make it in everyone's interest to help produce a kind of equilibrium which will encourage a cease-fire, a political accommodation, and ultimately the withdrawal of all foreign forces.

We are seeking to build a structure of stability on the following pillars:

The first element is political negotiations to bring about national reconciliation within Lebanon, to ease or resolve the internal rivalries and mutual suspicions that are at the heart of Lebanon's agony. The United States has strongly supported this endeavor. We are also concerned for the safety of the Palestinian civilians in Lebanon.

The second element is diplomacy to organize international support for the legitimate Government of Lebanon, for its efforts at reconciliation, and for a cease-fire. The United States is actively engaged in this effort.

In the military dimension, the primary responsibility rests on the Lebanese Armed Forces, which have acquitted themselves well. We have helped train and equip these forces, and we are pleased that these forces have been reconstituted to take into account the confessional balance in Lebanon. An army that would be more than adequate for its mission of keeping order once foreign forces were removed, however, is now understandably

under severe pressures because it is under assault by forces protected, armed, and encouraged by Syria. It is the external, non-Lebanese involvement that is enormously exacerbating the problem.

Israel continued to have influence with many groups in Lebanon, and has an interest in encouraging national reconciliation and stability. Events north of the Awwali River must be of concern to it, since its long-term security cannot but be affected by Syrian and PLO dominance of the rest of Lebanon.

The multinational force, including our marines, provides an added measure of stability in the overall equation, as I have described.

Our marines, or the multinational force as a whole, cannot tip the balance of forces alone—and it is not their mission to do so. But their presence remains one crucial pillar of the structure of stability.

As a former marine, although I would have to say there is no such thing as a former marine, I will not allow anyone to cast doubt on how formidable even this small number of marines can be.

They are an important deterrent, a symbol of the international backing behind the legitimate Government of Lebanon, and an important weight in the scales. To remove the marines would put both the government, and what we are trying to achieve, in jeopardy.

This is why our domestic controversy over war powers has been disturbing. The uncertainty about the American commitment only weakens our effectiveness; doubts about our staying power can only cause the aggressors to discount our presence—or to intensify their attacks, in hopes of hastening our departure.

An accommodation between the President and Congress to resolve this dispute will help dispel those doubts about our staying power and strengthen our hand.

The executive and legislative branches, as you know, have important differences of principle with respect to the War Powers Resolution.

The executive branch has traditionally had questions about the requirement of congressional authorization for Presidential disposition of our armed forces, both in light of the President's Commander in Chief power and on practical grounds.

Congress, of course, has had a different view. We could not expect to resolve this basic difference definitively now, but the administration has been prepared to consider practical proposals that enabled us to protect our common, national interest in Lebanon without prejudging our respective positions on the basic issue of principle.

In this regard, we are gratified that an agreement has been reached among the bipartisan leadership of the Congress to introduce and seek to enact a resolution authorizing the continued presence and mission of the U.S. peacekeeping forces in Lebanon.

As the President stated yesterday, although he has substantial reservations about parts of this resolution, he would be willing to sign the proposed resolution while expressing those reservations.

We are especially pleased that the proposed resolution not only supports our policies in Lebanon, but now enables us to advance our national interests on the solid bipartisan basis that has been the traditional hallmark of American foreign policy.

What is at stake in Lebanon: At stake in Lebanon are some basic principles of international law and international morality that have wider relevance for American foreign policy:

At stake is a small country's right to decide for itself how to achieve its sovereign objectives, free from outside pressure, threat, or blackmail.

At stake is the principle that international disputes should be settled by peaceful means, not by the use of threat of force.

At stake also are some concerns that affect our national interest and the security of our friends and allies. If American efforts for peaceful solutions are overwhelmed by brute force, our role is that much weakened everywhere.

Friends who rely on us will be disheartened, and will be that much less secure. Moderates in the Arab world whom we are encouraging to take risks for peace will feel it far less safe to do so.

The Soviet Union's efforts to disrupt our diplomacy will have scored a victory; radical and rejectionist elements will be strengthened. The cause of peace and justice will have suffered a setback. Israel's security on its northern border will be weakened.

What we are doing in Lebanon is right. There are risks involved, but any important undertaking involves risks. If we want the role and influence of a great power, we have to accept the responsibilities of a great power.

Many millions of people around the world look to us as the strongest defender of freedom, justice, and peace; we cannot walk away from responsibilities without paying a moral and political price.

I prefer to look at it positively. After all the experience of the last 15 years, nothing would give more reassurance and hope to all our friends in the world than to see the President and Congress work in harmony, united behind a strong and purposeful national policy. This is our opportunity now. We cannot afford to let it slip away.

Thank you, Mr. Chairman.

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[MR. HAMILTON.] . . . The second question I have is: What are the implications of a withdrawal of the marines? You spoke to this, to some extent, in your statement. I would like you to spell it out in detail because this is going to be the crux of the debate.

There will be those who will want to withdraw immediately and those who will want to withdraw in 6 months' time. They will be opposing those who support the 18-month period.

I would like you to spell out, as carefully as you can, what the implications are of a withdrawal of the marines immediately or, say, within 6 months' time.

What are the implications with regard to the negotiations? What are the implications with regard to our position in the Middle East? What are the implications for Israel? What are the implications for our strategic situation worldwide?

SECRETARY SHULTZ. That is a very good question. It is an important matter for everyone to consider.

The simplest and first thing that I think you have to keep in mind is that when the world sees that when America sends its forces to perform a legitimate mission asked for by the legitimate government involved and it does so and then the minute some trouble arises we turn tail and beat it, I think that sends a gigantic message around the world that is very undesirable and is totally incompatible with our role as a defender of freedom and justice around the world and as a great power with interests around the world.

I think that is the first thing to keep in mind on just immediate withdrawal. It is inconceivable to me that we would do that. I am sure the President would not do that. But it would have that kind of consequence.

As far as the implications of a Soviet-Syrian dominated Lebanon are concerned, with the PLO brought back into Beirut and elsewhere throughout Lebanon, I think that would be a major setback for peace in the Middle East, generally. It would be a major setback to the objective of stability and peaceful conditions in northern Israel, and it would, therefore, constitute a major problem in that regard.

So, those are some answers to your question. I tried to spell this out in greater detail in my opening statement.

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Document 375

Letter From President Reagan to the Speaker of the House of Representatives (O'Neill), September 27, 1983 [93]

Support For Compromise Resolution on U.S. Forces in Lebanon

DEAR MR. SPEAKER: I know you were as gratified as I with Sunday's announcement [94] of a cease fire in Lebanon. While there were many things that contributed to the cease fire, it is my belief that your agreement to advance the compromise resolution on war powers [95]—and the favorable action by the Foreign Affairs and Foreign Relations Committees—were particularly important. At a crucial point, your agreement and the supporting committee actions expressed a commitment to bipartisanship in U.S. foreign policy. Please accept my thanks.

Let me also take this opportunity to clarify an issue with respect to the interpretation of the compromise resolution. The compromise resolution refers to the requirements of section 4(a) of the Lebanon Emergency Assistance Act; [96] I gather that a question has arisen as to the Executive Branch's understanding and intention in this regard. My understanding and intent remain exactly as they were when I signed the Lebanon Emergency Assistance Act: [97] It would be my intention to seek Congressional authorization—as contemplated by the Act—if circumstances require any substantial expansion in the number or role of U.S. armed forces in Lebanon.

In addition, regarding the Administration's intentions with respect to the 18-month time period, I can assure you that if our forces are needed in Lebanon beyond the 18-month period, it would be my intention to work together with the Congress with a view toward taking action on mutually acceptable terms.

Again let me thank you for your support for the compromise agreement. I believe its prompt enactment will only further improve the chances for the stable peace we seek in Lebanon.

Sincerely,

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[93] Source: White House Press Release, September 27, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, October 3, 1983, p. 1342. Identical letters were sent to the Majority Leader of the Senate, Howard H. Baker, Jr., to the Chairman of the Senate Foreign Relations Committee, Charles H. Percy, and to the Chairman of the House Foreign Affairs Committee, Clement J. Zablocki.

[94] September 25.

[95] According to a September 26, 1983, report of the Senate Foreign Relations Committee:

"This resolution is the reflection of a delicate compromise, carefully constructed in recognition of the firmly-held positions of both the legislative and executive branches. However, the Committee believes that the resolution is fully consistent with, and supportive of, the constitutional role of Congress recognized in the War Powers Resolution. As our former colleague Jacob Javits—the principal Senate author of the War Powers Resolution—expressed it in a statement provided to all Members prior to the markup:

"The Administration and the Congress have each gained a major point in the proposed compromise on the War Powers Resolution. Congress has established the proposition that it may set the clock running under the resolution even if the President does not trigger it by giving the appropriate notice under the proper section of the resolution when U.S. troops are deployed abroad into hostilities or the imminent threat of them. The President has gained the point that for the situation in Lebanon the authority Congress gives him to continue their involvement must be by joint not concurrent resolution, thereby, requiring the President's signature. This compromise avoids a constitutional crisis at this juncture. Though it may not settle the issue, it is an important step along the way." (*Multinational Force in Lebanon*, Report of the Committee on Foreign Relations, Ninety-eighth Congress, First Session, Report No. 98-242 (Washington, 1983), pp. 14-15)

[96] See document 363.

[97] See document 362.

Document 376

Statement by President Reagan, October 12, 1983 [98]

Signing Into Law, Though With Reservations, the Multinational Force in Lebanon Resolution

I am pleased to sign into law today S.J. Res. 159, the Multinational Force in Lebanon Resolution. [99] This Resolution provides important support for the United States presence and policies in Lebanon, and facilitates the pursuit of United States interests in that region on the bipartisan basis that has been the traditional hallmark of American foreign policy. In my view, the participation and support of the Congress are exceedingly important on matters of such fundamental importance to our national security interests, particularly where United States Armed Forces have been deployed in support of our policy objectives abroad. I am grateful to those of both political parties who joined in the expression of resolve reflected by the enactment of this Resolution, and especially to the bipartisan leadership of Senate Majority Leader Baker, House Speaker O'Neill, House Foreign Affairs Committee Chairman Zablocki and Senate Foreign Relations Committee Chairman Percy.

The text of this Resolution states a number of congressional findings, determinations, and assertions on certain matters. It is, of course, entirely appropriate for Congress to express its views on these subjects in this manner. However, I do not necessarily join in or agree with some of these expressions. For example, with regard to the congressional determination that the requirements of section 4(a)(1) of the War Powers Resolution became operative on August 29, 1983, I would note that the initiation of isolated or infrequent acts of violence against United States Armed Forces does not necessarily constitute actual or imminent involvement in hostilities, even if casualties to those forces result. I think it reasonable to recognize the inherent risk and imprudence of setting any precise formula for making such determinations.

However, complete accord on such debatable issues is less important than the process that has taken place and the bipartisan policy goals that have been articulated. We must not let disagreements on interpretation or issues of institutional powers prevent us from expressing our mutual goals to the citizens of our Nation and the world. I therefore sign this Resolution in full support of its policies, but with reservations about some of the specific congressional expressions.

There have been historic differences between the legislative and executive branches of government with respect to the wisdom and constitutionality of section 5(b) of the War Powers Resolution. That section purports to require termination of the use of United States Armed Forces in actual hostilities or situations in which imminent involvement in hostilities is clearly indicated by the circumstances unless Congress, within 60 days, enacts a specific authorization for that use or otherwise extends the 60-day period. In light of these historic differences, I would like to emphasize my view that the imposition of such arbitrary and inflexible deadlines creates unwise limitations on presidential authority to deploy United States Forces in the interests of United States national security. For example, such deadlines can undermine foreign policy judgments, adversely affect our ability to deploy United States Armed Forces in support of these judgments, and encourage hostile elements to maximize United States casualties in connection with such deployments.

I believe it is, therefore, important for me to state, in signing this Resolution, that I do not and cannot cede any of the authority vested in me under the constitution as President and as Commander-in-Chief of United States Armed Forces. Nor should my signing be viewed as any acknowledgment that the President's consti-

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[98] Source: White House Press Release, October 12, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, October 17, 1983, pp. 1422–1423.

[99] On September 28, the House of Representatives adopted H.J. Res. 364 by a vote of 270 to 161. The following day, the Senate passed S.J. Res. 159 by a vote of 54 to 46. On that same day, the House concurred in the slightly different Senate version. This was the first invocation of the War Powers Resolution. The text of this resolution (P.L. 98–119) is printed *infra*.

tutional authority can be impermissibly infringed by statute, that congressional authorization would be required if and when the period specified in section 5(b) of the War Powers Resolution might be deemed to have been triggered and the period had expired, or that section 6 of the Multinational Force in Lebanon Resolution may be interpreted to revise the President's constitutional authority to deploy United States Armed Forces. Let me underscore, however, that any differences we may have over institutional prerogatives will in no way diminish my intention to proceed in the manner outlined in my letter of September 27, 1983, [1] to achieve the important bipartisan goals reflected in this Resolution.

Indeed, I am convinced that congressional support for the continued participation of United States Forces alongside those of France, Italy, and the United Kingdom helped bring about the recent cease-fire and the start of the reconciliation process in Lebanon. The security and the stability of the Beirut area and the successful process of national reconciliation are essential to the achievement of United States policy objectives in Lebanon, as stated in the Resolution. It is my fervent hope and belief that this reaffirmation of the support of the executive and legislative branches for the Government of Lebanon and for our partners in the Multinational Force will promote a lasting peace and hasten the return home of our Armed Forces.

Document 377

Public Law 98–119, October 12, 1983 [2]

The Multinational Force in Lebanon Resolution

JOINT RESOLUTION

Providing statutory authorization under the War Powers Resolution for continued United States participation in the multinational peacekeeping force in Lebanon in order to obtain withdrawal of all foreign forces from Lebanon.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This joint resolution may be cited as the "Multinational Force in Lebanon Resolution".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) the removal of all foreign forces from Lebanon is an essential United States foreign policy objective in the Middle East;

(2) in order to restore full control by the Government of Lebanon over its own territory, the United States is currently participating in the multinational peacekeeping force (hereafter in this resolution referred to as the "Multinational Force in Lebanon") which was established in accordance with the exchange of letters between the Governments of the United States and Lebanon dated September 25, 1982;

(3) the Multinational Force in Lebanon better enables the Government of Lebanon to establish its unity, independence, and territorial integrity;

(4) progress toward national political reconciliation in Lebanon is necessary; and

(5) United States Armed Forces participating in the Multinational Force in Lebanon are now in hostilities requiring authorization of their continued presence under the War Powers Resolution.

(b) The Congress determines that the requirements of section 4(a)(1) of the War Powers Resolution became operative on August 29, 1983. Consistent with section 5(b) of the War Powers Resolution, the purpose of this joint resolution is to authorize the continued participation of United States Armed Forces in the Multinational Force in Lebanon.

(c) The Congress intends this joint resolution to constitute the necessary specific statutory authorization under the War

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[1] *Supra.*

[2] Source: 97 Stat. 805.

Powers Resolution for continued participation by United States Armed Forces in the Multinational Force in Lebanon.

AUTHORIZATION FOR CONTINUED PARTICIPATION OF UNITED STATES ARMED FORCES IN THE MULTINATIONAL FORCE IN LEBANON

SEC. 3. The President is authorized, for purposes of section 5(b) of the War Powers Resolution, to continue participation by United States Armed Forces in the Multinational Force in Lebanon, subject to the provisions of section 6 of this joint resolution. Such participation shall be limited to performance of the functions, and shall be subject to the limitations, specified in the agreement establishing the Multinational Force in Lebanon as set forth in the exchange of letters between the Governments of the United States and Lebanon dated September 25, 1982, except that this shall not preclude such protective measures as may be necessary to ensure the safety of the Multinational Force in Lebanon.

REPORTS TO THE CONGRESS

SEC. 4. As required by section 4(c) of the War Powers Resolution, the President shall report periodically to the Congress with respect to the situation in Lebanon, but in no event shall he report less often than once every three months. In addition to providing the information required by that section on the status, scope, and duration of hostilities involving United States Armed Forces, such reports shall describe in detail—

(1) the activities being performed by the Multinational Force in Lebanon;

(2) the present composition of the Multinational Force in Lebanon, including a description of the responsibilities and deployment of the armed forces of each participating country;

(3) the results of efforts to reduce and eventually eliminate the Multinational Force in Lebanon;

(4) how continued United States participation in the Multinational Force in Lebanon is advancing United States foreign policy interests in the Middle East; and

(5) what progress has occurred toward national political reconciliation among all Lebanese groups.

STATEMENTS OF POLICY

SEC. 5. (a) The Congress declares that the participation of the armed forces of other countries in the Multinational Force in Lebanon is essential to maintain the international character of the peacekeeping function in Lebanon.

(b) The Congress believes that it should continue to be the policy of the United States to promote continuing discussions with Israel, Syria, and Lebanon with the objective of bringing about the withdrawal of all foreign troops from Lebanon and establishing an environment which will permit the Lebanese Armed Forces to carry out their responsibilities in the Beirut area.

(c) It is the sense of the Congress that, not later than one year after the date of enactment of this joint resolution and at least once a year thereafter, the United States should discuss with the other members of the Security Council of the United Nations the establishment of a United Nations peacekeeping force to assume the responsibilities of the Multinational Force in Lebanon. An analysis of the implications of the response to such discussions for the continuation of the Multinational Force in Lebanon shall be included in the reports required under paragraph (3) of section 4 of this resolution.

DURATION OF AUTHORIZATION FOR UNITED STATES PARTICIPATION IN THE MULTINATIONAL FORCE IN LEBANON

SEC. 6. The participation of United States Armed Forces in the Multinational Force in Lebanon shall be authorized for purposes of the War Powers Resolution until the end of the eighteen-month period beginning on the date of enactment of this resolution unless the Congress extends such authorization, except that such authorization shall terminate sooner upon the occurrence of any one of the following:

(1) the withdrawal of all foreign forces from Lebanon, unless the President determines and certifies to the Congress that continued United States Armed Forces participation in the Multinational Force in Lebanon is required after such withdrawal in order to accomplish the purposes specified in the September 25, 1982, exchange of letters providing for the establishment of the Multinational Force in Lebanon; or

(2) the assumption by the United Nations or the Government of Lebanon of the responsibilities of the Multinational Force in Lebanon; or

(3) the implementation of other effective security arrangements in the area; or

(4) the withdrawal of all other countries from participation in the Multinational Force in Lebanon.

INTERPRETATION OF THIS RESOLUTION

SEC. 7. (a) Nothing in this joint resolution shall preclude the President from withdrawing United States Armed Forces participation in the Multinational Force in Lebanon if circumstances warrant, and nothing in this joint resolution shall preclude the Congress by joint resolution from directing such a withdrawal.

(b) Nothing in this joint resolution modifies, limits, or supersedes any provision of the War Powers Resolution or the requirement of section 4(a) of the Lebanon Emergency Assistance Act of 1983, relating to congressional authorization for any substantial expansion in the number or role of United States Armed Forces in Lebanon.

CONGRESSIONAL PRIORITY PROCEDURES FOR AMENDMENTS

SEC. 8. (a) Any joint resolution or bill introduced to amend or repeal this Act shall be referred to the Committee on Foreign Affairs of the House of Representatives or the Committee on Foreign Relations of the Senate, as the case may be. Such joint resolution or bill shall be considered by such committee within fifteen calendar days and may be reported out, together with its recommendations, unless such House shall otherwise determine pursuant to its rules.

(b) Any joint resolution or bill so reported shall become the pending business of the House in question (in the case of the Senate the time for debate shall be equally divided between the proponents and the opponents) and shall be voted on within three calendar days thereafter, unless such House shall otherwise determine by the yeas and nays.

(c) Such a joint resolution or bill passed by one House shall be referred to the committee of the other House named in subsection (a) and shall be reported out by such committee together with its recommendations within fifteen calendar days and shall thereupon become the pending business of such House and shall be voted upon within three calendar days, unless such House shall otherwise determine by the yeas and nays.

(d) In the case of any disagreement between the two Houses of Congress with respect to a joint resolution or bill passed by both Houses, conferees shall be promptly appointed and the committee of conference shall make and file a report with respect to such joint resolution within six calendar days after the legislation is referred to the committee of conference. Notwithstanding any rule in either House concerning the printing of conference reports in the Record or concerning any delay in the consideration of such reports, such report shall be acted on by both Houses not later than six calendar days after the conference report is filed. In the event the conferees are unable to agree within forty-eight hours, they shall report back to their respective Houses in disagreement.

Approved October 12, 1983.

Document 378

Resolution 538 (1983), Adopted by the U.N. Security Council, October 18, 1983 [3]

Extension of UNIFIL Mandate for Six Months

The Security Council,

Having heard the statement of the representative of Lebanon,

Recalling its resolutions 425 (1978) and 426 (1978) and all subsequent resolutions on the United Nations Interim Force in Lebanon,

[3] Source: U.N. Security Council Resolution 538 (1983). The resolution was adopted by a vote of 13 to 0, with Poland and the Soviet Union abstaining.

Recalling further its resolutions 508 (1982), 509 (1982) and 520 (1982), as well as all its other resolutions on the situation in Lebanon,

Reiterating its strong support for the territorial integrity, sovereignty and political independence of Lebanon within its internationally recognized boundaries,

Having studied the report of the Secretary-General on the United Nations Interim Force in Lebanon (S/16036) and taking note of the conclusions and recommendations expressed therein,

Taking note of the letter of the Permanent Representative of Lebanon to the Secretary-General of the United Nations (S/16036, para. 20),

Responding to the request of the Government of Lebanon,

1. *Decides* to extend the present mandate of the United Nations Interim Force in Lebanon for a further interim period of six months, that is, until 19 April 1984;

2. *Calls upon* all parties concerned to fully co-operate with the United Nations Interim Force in Lebanon for the full implementation of its mandate (as defined in resolutions 425 (1978) and 426 (1978) and the relevant decisions of the Security Council);

3. *Requests* the Secretary-General to report to the Council on the progress made in this respect.

Document 379

Statement by President Reagan, October 23, 1983 [4]

Denunciation of the Bombing of Marine Headquarters

I'm not going to take any questions this morning because we're going right into meetings on the events that have taken place on this tragic weekend. [5]

But I would like to make this statement: I know there are no words that can express our sorrow and grief over the loss of those splendid young men and the injury to so many others. I know there are no words also that can ease the burden of grief for the families of those young men.

Likewise, there are no words to properly express our outrage and, I think, the outrage of all Americans at the despicable act, following as it does on the one perpetrated several months ago in the spring that took the lives of scores of people at our Embassy in that same city, in Beirut.

But I think we should all recognize that these deeds make so evident the bestial nature of those who would assume power, if they could have their way and drive us out of that area, that we must be more determined than ever that they cannot take over that vital and strategic area of the earth or, for that matter, any other part of the earth.

Thank you.

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[4] Source: White House Press Release, October 23, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, October 31, 1983, p. 1480. The President spoke on the South Lawn of the White House beginning at 8:38 a.m., upon his return from Augusta, Georgia.

[5] Early in the morning of October 23 Lebanon time a truck filled with explosives blew up the Marine Battalion Landing Team headquarters at Beirut International Airport killing 241 U.S. military personnel. A similar explosion at the French military headquarters took 56 lives. Someone purporting to represent the Free Islamic Revolution Movement called Agence France Press to claim responsibility for the bombing.

Document 380

Statement by the President's Principal Deputy Press Secretary (Speakes), October 23, 1983 [6]

"We Will Not Yield To International Terrorism"

The President held extensive meetings today with his senior advisers to consider the United States response to the deliberate and heinous acts of international terrorism in Beirut against American and French forces. These forces are present to assist a peaceful settlement of the Lebanese crisis; this settlement is essential to regional and world peace. These attacks were clearly designed to weaken our determination and to disrupt the efforts of the Government of Lebanon to regain control and sovereignty over the country. One thing is clear: those who sponsor these outrages believe that they can intimidate the Government of Lebanon, its people, and their friends in the international community. They are wrong. We will not yield to international terrorism because we know that if we do, the civilized world will suffer and our values will be fair game for those who seek to destroy all we stand for.

The President has directed that General P. X. Kelley, Commandant of the Marine Corps, depart for Beirut to undertake a complete review of ways to provide better protection for the Marine contingent in Lebanon. We also intend to respond to this criminal act when the perpetrators are identified. The President is consulting closely with our MNF allies and the Lebanese Government. Our actions will be resolute and consistent with stated policies and objectives.

The President is communicating with our MNF partners and the Government of Lebanon. He is stressing that we remain determined to pursue our stated objectives in Lebanon which are to ensure that Lebanon can be restored as an independent and sovereign nation free of all foreign forces and free to reconstitute a national consensus. We and the Government of Lebanon remain committed to the process of national reconciliation and an accommodation of the legitimate interests of all the Lebanese people. We have stressed to President Gemayel the necessity of persevering in his courageous decision to broaden the political base and composition of his government, and we will assure that he can do so without surrendering to those who reject political solutions and seek to impose their will by violent means.

[6] Source: White House Press Release, October 23, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, October 31, 1983, pp. 1481–1482. Speakes spoke to reporters at the start of a press briefing in the Briefing Room of the White House beginning at 7:06 p.m.

Document 381

Transcript of an Interview With the Secretary of Defense (Weinberger), October 23, 1983 (Extracts) [7]

Reaffirmation of the Marines' Mission in Lebanon

. . . . . .

WILL. Mr. Secretary, there does however, seem as this episode today underscores rather less peace today than when the peacekeeping forces went in. Can you tell us what objective 1,300 Marines—military objective and how 1,300 Marines at an airport contribute to peace in Lebanon?

A. You have to bear in mind what the original mission was and the original mission hasn't changed but it certainly has become more difficult. I don't argue with that for a moment with you. The original mission was to interpose a multinational peacekeeping force that could give confidence to the troops who would be withdrawing from Syria (Lebanon) from very close combat with each other under agreements that we hoped to work out. Now

[7] Source: Department of Defense files. Weinberger was appearing on the ABC program, "This Week With David Brinkley". The other interviewers were George Will and Sam Donaldson, both of ABC News.

Syria has refused to sign any agreement despite the fact that the Lebanese Government has requested it and that many of the Arab governments have requested it. Israel did agree to withdraw and has withdrawn part way but they will only go all the way when the others withdraw. The PLO would presumably follow the Syrians but since the Syrians won't agree to withdraw the situation remains, as you say, very difficult and unresolved.

But the mission remains the same. This group of Marines and this multinational force including the French who've also suffered a grievous blow today, they weren't to go out and conquer Lebanon or to destroy all the forces in Lebanon. They were to give confidence and to bring about a situation in which the occupying forces would withdraw—Israeli; PLO; Syrians and all the rest and that still remains the mission and it still dictates the size and composition of our force.

DONALDSON. Mr. Secretary, why were the security barriers no stronger than they were this morning so that a pickup truck can penetrate to that building in the Beirut airport?

A. Security barriers were the same kind that you have in any sort of building in an area open to the public and occupied by the public. This is one of the regular buildings that has been used in the administration of the airport which from time to time is open. And this truck drove right straight through a Marine guard post, it drove through a fence and it drove into the lobby of the building. Now if anybody is willing to kill themselves in the setting-off of a dynamite explosion, it obviously makes a very difficult task to stop. Exactly the way it was in World War II when the Kamikaze pilots were willing to dive right into the carriers.

. . . . . .

WILL. But given how heavily and increasingly the Syrians appear to be dependent on the Soviet Union, is it not in Syria's, therefore the Soviet Union's interest, for the United States to be bogged down there just as they are now?

A. Well the whole involvement of the Soviet Union in Syria adds another complicating and extremely unwelcome and very dangerous factor in the equation. It is another reason why we should persist in our efforts to secure peace by an unoccupied, sovereign Lebanon that's strong enough to accomplish that and we're doing quite a lot of that in ways that are publicized much. And that's in the enormous strengthening and reequipping of the Lebanese Armed Force, which is not a major factor in the equation. But the fact that the Soviets are there and the fact that they're pouring enormous military resources into Syria and the fact that this seems to be encouraging Syria not to withdraw and not to fulfill the commitments they made earlier to withdraw, certainly adds to the danger. But it also is a very significant reason why we should not simply turn our backs on our commitment. This is not to say that we can't search for ways to fulfill that commitment in ways that may render the Marines far less vulnerable and then put them in a better defensive position than they are at present.

DONALDSON. Mr. Secretary, it is possible that we could fulfill that commitment if we withdraw the Marines to the naval force that's just off the coast?

A. That's possible, yes. The naval force has enormous fire power—the *New Jersey*'s perhaps the most powerful single ship in the world. A carrier battle group is there and it is possible to reinforce that and have a very large amount of fire power that would be ready to be used to ensure that withdrawal of foreign forces if they ever can—the Syrians ever will sign these agreements and put all of the factors and all of the forces together then that is one of the ways. The Marines themselves would not leave the area, but this is only one of the options that we're talking about.

. . . . . .

Document 382

Statement by President Reagan, October 24, 1983 [8]

"The United States Will Not Be Intimidated by Terrorists"

Good afternoon. And given what has happened in Lebanon, I've put aside the remarks that I was prepared to give here today. And I'd like to read you this statement.

Yesterday's acts of terrorism in Beirut which killed so many young American and French servicemen were a horrifying reminder of the type of enemy that we face in many critical areas of the world today—vicious, cowardly, and ruthless. Words can never convey the depth of compassion that we feel for those brave men and for their loved ones.

Many Americans are wondering why we must keep our forces in Lebanon. The reason they must stay there until the situation is under control is quite clear. We have vital interests in Lebanon and our actions in Lebanon are in the cause of world peace. With our allies England, France, and Italy we're part of a multinational peacekeeping force seeking a withdrawal of all foreign forces from Lebanon and from the Beirut area while the new Lebanese Government undertakes to restore sovereignty throughout that country. By promoting peace in Lebanon, we strengthen the forces for peace throughout the Middle East. This is not a Republican or a Democratic goal but one that all Americans share.

Peace in Lebanon is key to the region's stability now and in the future. To the extent that the prospect for future stability is heavily influenced by the presence of our forces, it is central to our credibility on a global scale. We must not allow international criminals and thugs such as these to undermine the peace in Lebanon. The struggle for peace is indivisible. We cannot pick and choose where we will support freedom. We can only determine how. If it is lost in one place, all of us lose. If others feel confident that they can intimidate us and our allies in Lebanon, they will become more bold elsewhere. If Lebanon ends up under the tyranny of forces hostile to the West, not only will our strategic position in the Eastern Mediterranean be threatened but also the stability of the entire Middle East including the vast resource areas of the Arabian Peninsula.

In conjunction with our multinational force partners, we're trying—taking measures to strengthen the capabilities of our forces to defend themselves. The United States will not be intimidated by terrorists. We have strong circumstantial evidence linking the perpetrators of this latest atrocity to others that have occurred against us in the recent past, including the bombing of our Embassy in Beirut last April.

Every effort will be made to find the criminals responsible for this act of terrorism so this despicable act will not go unpunished.

Document 383

Prepared Statement by the Secretary of State (Shultz) Before the Senate and the House of Representatives, October 24, 1983 [9]

The Situation in Lebanon

I am sorry to have to be here in such tragic circumstances, but I also appreciate the opportunity to come here to discuss

[8] Source: White House Press Release, October 24, 1983. Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, October 31, 1983, pp. 1482–1483. The President made his remarks to regional editors and broadcasters in the State Dining Room of the White House beginning at 1:07 p.m.

[9] Source: Department of State Press Release 379, October 24, 1983; also printed in Department of State *Bulletin*, December 1983, pp. 44–45. Secretary Shultz used this statement in separate briefings of members of the U.S. Senate and the House of Representatives. These briefings were closed and the transcripts of them have not been printed.

our policy in Lebanon in the wake of yesterday's events.

This outrage perpetrated against our forces is a brutal reminder, as the President said yesterday, of the bestial nature of those elements in the Middle East that will take over if we are not steadfast and strong.[10]

I want to take this opportunity to pay tribute to the courage and sacrifice of our French ally, as well as to offer my personal sympathy to the families of all those who perished, American and French.

Let me say a few words about the broader issues at stake, and then about the situation in Lebanon.

The Stakes in Lebanon

We are in Lebanon because the outcome in Lebanon will affect our position in the whole Middle East. To ask why Lebanon is important is to ask why the Middle East is important—because the answer is the same.

The United States is involved in the quest for peace in the Middle East because it is a region of vital strategic and economic importance for the free world, because it is an arena of competition between the United States and the Soviet Union, because we have a deep and abiding commitment to Israel and an interest in strengthening the trends of moderation in the Arab world, and because our role of leadership in Middle East diplomacy is a reflection of America's responsibility as a world leader.

The crisis in Lebanon cannot be isolated from the broader Middle East crisis. Indeed, that has been the heart of Lebanon's tragedy in the past 15 years. The contest in Lebanon involves many of the same parties that figure in the broader Middle East drama: moderate elements that yearn to settle their differences peacefully, and radical elements that both preach and practice hatred as a matter of policy. The issues at stake in Lebanon are therefore some of the same issues at stake in the search for Middle East peace: questions of security, of respect for national sovereignty, and the viability of peaceful solutions.

At stake in Lebanon is the fate of the second moderate Arab country to negotiate a major agreement with Israel. I should not have to elaborate on what it would mean for the overall peace process, and for Israel's long-term security, if the assault on this moderate government should succeed. Indeed, this is a major reason why that assault is taking place.

At stake is the right of a small country like Lebanon to decide for itself how to achieve its sovereign objectives free of outside pressure, threat, or blackmail. This is a basic principle of international law and international morality that is vital not only to the future of the Middle East but to the kind of world we want to live in over the remainder of this century.

If America's efforts for peaceful solutions are overwhelmed by brute force, our role in the world is that much weakened everywhere. Friends who rely on us will be disheartened and will be that much less secure. Moderates in the Arab world whom we are encouraging to take risks for peace will feel it far less safe to do so. Israel's security will ultimately be weakened.

If we are driven out of Lebanon, radical and rejectionist elements will have scored a major victory. The message will be sent that relying on the Soviet Union pays off and that relying on the United States is a fatal mistake. This is, of course, the opposite of the message that we want to convey in our foreign policy.

If we are driven out of Lebanon, it will be a major blow to the American position in the Middle East. If we want the role and influence of a great power, then we have to accept the responsibilities of a great power. If we as Americans decide we do *not* want the role and influence of a great power, then I shudder to think what kind of world of anarchy and danger our children will inherit.

Our Policy in Lebanon

Let me turn now to the situation in Lebanon.

Our goal in Lebanon is a political settlement between the government and the various confessional groups, aiming at a broader-based government that can extend its sovereign authority throughout the country. In these circumstances we envisage the withdrawal of all foreign forces, as well as security arrangements to assure

[10] See document 379.

the security of Israel's northern border. This process of political accommodation is an urgent task. It should be a priority responsibility of Lebanon's leaders and Lebanon's people. It is also one of *our* high priorities.

One step toward this goal was the May 17 agreement between Lebanon and Israel. It provides a framework for cooperation between Lebanon and Israel and it offers the only existing arrangement for assuring Israeli withdrawal while addressing the basic problem of border security that created the Lebanese crisis in the first place. We will continue to defend this agreement and we look to the day when it will be implemented.

Our goal is a political solution, not a military solution. Yet the presence of our Marines has been a crucial pillar of the structure of stability that is needed to make a political solution possible. Our strategy is built on several such pillars:

—Our Marines are part of a multinational peacekeeping force, including the forces of our British, French, and Italian allies. These units symbolize the broad international support for the legitimate Government of Lebanon.

—Backing up our Marines is a powerful offshore naval force, which has fired in defense of the Marines when they have come under fire. Our allies also have naval assets in the Eastern Mediterranean, and have used them.

—In the military dimension, the primary responsibility rests on the Lebanese Armed Forces, which we helped to train and equip. The Army has proven to be a brave and effective fighting force, and is getting stronger by the day. It is more than a match for its Lebanese opponents; its difficulties have come when it was under assault by forces protected, armed, supported, and encouraged by Syria.

—The Lebanese Government has the support of moderate Arabs, which can only be strengthened by a successful effort of national reconciliation.

—Israel, too, remains a key factor in Lebanon, and we need its constructive efforts in support of the Lebanese Government and the process of reconciliation. Israel has leverage with some of the confessional groups, and we hope it will use this leverage in the direction of encouraging political accommodation.

Syria and its surrogates, of course, have been obstructing both our efforts to get foreign forces out and our efforts to promote political accommodation. No one questions Syria's legitimate security concerns with respect to Lebanon. But Syria, unlike Israel, has been unwilling to negotiate with Lebanon over how to reconcile its security concerns with Lebanon's sovereign right to decide its own future. Instead, Syria has declared a kind of "Brezhnev doctrine," whereby countries in its orbit have no sovereign right to make any decisions that displease it.

We achieved a cease-fire on September 26, however, by demonstrating that there were limits beyond which we could not be pushed. The achievement of this cease-fire showed that we have the assets to maintain a stable balance in Lebanon so that the government's opponents cannot steamroll the political negotiations. We must maintain that balance. Pulling our Marines out or reducing their number would only undercut the balance and undermine the chances for an equitable political outcome. This is not President Reagan's policy. The bipartisan support shown in the congressional joint resolution on the War Powers issue was an important contribution, dispelling doubts about our staying power and strengthening our hand.

Responsibility for the Bombing

A question I am sure is on your minds is, who is responsible for this bombing outrage?

I can say to you now only that we are still sifting the evidence, most of which is from before the bombing, and therefore only circumstantially related to the event.

I can also read you some press reports of some interesting reactions to yesterday's bombing:

—The President of the Iranian Supreme Court issued a statement yesterday saying that the "Muslim people" of Lebanon have "dealt with the United States and France in such a way that they have learned their lesson not to embark on aggression and attacks on oppressed nations."

—A Syrian newspaper—part of Syria's state-controlled press—contained a reference to the bombings of our Marine and French soldiers which attributed the two

actions to the so-called "Lebanese nationalist resistance."

Both Iran and Syria, of course, deny any responsibility for the bombing attacks.

Since we don't yet know who is directly responsible for the attack, it would not be fruitful to speculate. But there is a broader point to be made. It is not difficult to detect who are the enemies of peace in Lebanon.

The enemies of peace in Lebanon are the enemies of peace in the Middle East, and it is not a coincidence that these elements have been bitter opponents of the Multinational Force in Lebanon of which our Marines are a part:

—Syria, which seems determined to make Lebanon once again a satellite or province of "Greater Syria."

—the Soviet Union, which arms Syria with the most sophisticated weapons and encourages its hegemonistic policies, and

—Iran, the regime of fanatics with which we have had earlier experience.

Iranian elements in Lebanon operate from behind Syrian lines and are allied with Syria. Syria must bear a share of responsibility for any Iranian actions in Lebanon whether or not Syria knew of any specific terrorist plans. Likewise, the Soviet Union, even though its relations with Iran are strained, has encouraged Syria and contributed to the climate of violence and intimidation which obtains in Lebanon. And the Soviets have been bitterly opposed to the presence of the Multinational force.

The Soviet Union, Syria, and Iran: That should tell you something about what is going on in Lebanon, why it is a part of something much larger than Lebanon, and why we have a stake in the outcome.

As the result of our deliberations yesterday and today, the President has decided on a series of steps:

—He has ordered the immediate replacement and strengthening of our Marine contingent in Beirut, so that there is no gap in the performance of our mission.

—General P. X. Kelley, Commandant of the Marine Corps, has gone to Beirut to study the security situation of our Marines and to make urgent recommendations on ways of improving it. General Trainor can discuss these matters with you in more detail.

—We are continuing an intensified intelligence effort to identify the perpetrators of Sunday's massacre.

—I will travel to Europe by the end of this week to consult urgently and intensively with the Foreign Ministers of our MNF partners, Britain, France, and Italy.

—Ambassador Richard Fairbanks, who was the partner of Ambassador McFarlane in our recent diplomatic efforts in Lebanon, will be in Geneva to lend support and impetus to President Gemayel's efforts at national reconciliation.

—We are sending a high-level mission to Israel next week to review with our Israeli friends the situation in Lebanon as well as broader issues of Middle East security.

President Reagan is determined that we will not be driven out of Lebanon by the enemies of peace. We will stay and we will carry out our mission. Many millions of people around the world look to the United States as the strongest defender of freedom and peace. We cannot walk away from such responsibilities without paying a moral, political, and strategic price.

Document 384

Address by President Reagan, October 27, 1983 (Extract) [11]

U.S. Responsibilities in Lebanon

My fellow Americans, some 2 months ago we were shocked by the brutal massa-

[11] Source: White House Press Release, October 27, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, October 31, 1983, pp. 1497–1500. The President spoke to the Nation on radio and television from the Oval Office of the White House beginning at 8 p.m. For the President's remarks on Grenada, see document 661.

cre of 269 men, women, and children, more than 60 of them Americans, in the shooting down of a Korean airliner. [12]

Now, in these past several days, violence has erupted again, in Lebanon and Grenada. In Lebanon, we have some 1,600 Marines, part of a multinational force that's trying to help the people of Lebanon restore order and stability to that troubled land. Our Marines are assigned to the south of the city of Beirut, near the only airport operating in Lebanon. Just a mile or so to the north is the Italian contingent and not far from them, the French and a company of British soldiers.

This past Sunday, at 22 minutes after 6, Beirut time, with dawn just breaking, a truck, looking like a lot of other vehicles in the city, approached the airport on a busy, main road. There was nothing in its appearance to suggest it was any different than the trucks or cars that were normally seen on and around the airport, but this one was different. At the wheel was a young man on a suicide mission. The truck carried some 2,000 pounds of explosives. But there was no way our Marine guards could know this. Their first warning that something was wrong came when the truck crashed through a series of barriers, including a chain-link fence and barbed wire entanglements. The guards opened fire; but it was too late. The truck smashed through the doors of the headquarters building in which our Marines were sleeping and instantly exploded. The four-story concrete building collapsed in a pile of rubble.

More than 200 of the sleeping men were killed in that one hideous, insane attack. Many others suffered injury and are hospitalized here or in Europe.

This was not the end of the horror. At almost the same instant, another vehicle on a suicide and murder mission, crashed into the headquarters of the French peacekeeping force, an eight-story building, destroying it and killing more than 50 French soldiers.

Prior to this day of horror, there had been several tragedies for our men in the multinational force, attacks by snipers and mortar fire had taken their toll. I called bereaved parents and/or widows of the victims to express on behalf of all of us our sorrow and sympathy.

Sometimes there were questions. And now many of you are asking: Why should our young men be dying in Lebanon? Why is Lebanon important to us?

Well, it's true, Lebanon is a small country, more than 5 1/2 thousand miles from our shores on the edge of what we call the Middle East. But every President who has occupied this office in recent years has recognized that peace in the Middle East is of vital concern to our Nation and, indeed, to our allies in Western Europe and Japan. We have been concerned because the Middle East is a powder keg; four times in the last 30 years, the Arabs and Israelis have gone to war. And each time, the world has teetered near the edge of catastrophe. The area is key to the economic and political life of the West. Its strategic importance, its energy resources, the Suez Canal, and the well being of the nearly 200 million people living there—all are vital to us and to world peace. If that key should fall into the hands of a power or powers hostile to the free world, there would be a direct threat to the United States and to our allies.

We have another reason to be involved. Since 1948, our Nation has recognized and accepted a moral obligation to assure the continued existence of Israel as a nation. Israel shares our democratic values, and is a formidable force an invader of the Middle East would have to reckon with.

For several years, Lebanon has been torn by internal strife. Once a prosperous, peaceful nation, its government had become ineffective in controlling the militias that warred on each other.

Sixteen months ago, we were watching on our T.V. screens the shelling and bombing of Beirut which was being used as a fortress by PLO bands. Hundreds and hundreds of civilians were being killed and wounded in the daily battles. Syria, which makes no secret of its claim that Lebanon should be a part of a greater Syria, was occupying a large part of Lebanon. Today, Syria has become a home for 7,000 Soviet advisors and technicians who man a massive amount of Soviet weaponry, including SS-21 ground-to-ground missiles capable of reaching vital areas of Israel.

[12] The reference is to the September 1 Soviet shooting down of a Korean Airlines plane.

A little over a year ago, hoping to build on the Camp David Accords which had led to peace between Israel and Egypt, I proposed a peace plan for the Middle East to end the wars between the Arab States and Israel. It was based on U.N. Resolutions 242 and 338, and called for a fair and just solution to the Palestinian problem, as well as a fair and just settlement of issues between the Arab States and Israel.

Before the necessary negotiations could begin, it was essential to get all foreign forces out of Lebanon and to end the fighting there. So, why are we there? Well, the answer is straight-forward: to help bring peace to Lebanon and stability to the vital Middle East. To that end, the multinational force was created to help stabilize the situation in Lebanon until a government could be established and a Lebanese army mobilized to restore Lebanese sovereignty over its own soil as the foreign forces withdrew. Israel agreed to withdraw as did Syria, but Syria then reneged on its promise. Over 10,000 Palestinians who had been bringing ruin down on Beirut, however, did leave the country.

Lebanon has formed a government under the leadership of President Gemayel. And that government, with our assistance and training, has set up its own army. In only a year's time, that army has been rebuilt. It is a good army composed of Lebanese of all factions.

A few weeks ago, the Israeli army pulled back to the Awali River in southern Lebanon. Despite fierce resistance by Syrian-backed forces, the Lebanese army was able to hold the line and maintain the defensive perimeter around Beirut.

In the year that our Marines have been there, Lebanon has made important steps toward stability and order. The physical presence of the Marines lends support to both the Lebanese Government and its army. It allows the hard work of diplomacy to go forward. Indeed, without the peacekeepers from the United States, France, Italy, and Britain, the efforts to find a peaceful solution in Lebanon would collapse.

As to that narrower question—What exactly is the operational mission of the Marines? The answer is, to secure a peace in Beirut, to keep order in their sector, and to prevent the area from becoming a battlefield. Our Marines are not just sitting in the airport. Part of their task is to guard that airport. Because of their presence, the airport has remained operational. In addition, they patrol the surrounding area. This is their part—a limited, but essential part—in the larger effort that I've described.

If our Marines must be there, I'm asked, why can't we make them safer? Who committed this latest atrocity against them and why?

Well, we'll do everything we can to ensure that our men are as safe as possible. We ordered the battleship *New Jersey* to join our naval forces offshore. Without even firing them, the threat of its 16-inch guns silence those who once fired down on our Marines from the hills. And they're a good part of the reason we suddenly had a cease-fire. We're doing our best to make our forces less vulnerable to those who want to snipe at them or send in future suicide missions.

Secretary Shultz called me today from Europe, where he was meeting with the Foreign Ministers of our allies in the multinational force.[13] They remain committed to our task. And plans were made to share information as to how we can improve security for all our men.

We have strong circumstantial evidence that the attack on the Marines was directed by terrorists who used the same method to destroy our Embassy in Beirut. Those who directed this atrocity must be dealt justice. And they will be. The obvious purpose behind the sniping and, now, this attack was to weaken American will, and force the withdrawal of U.S. and French forces from Lebanon. The clear intent of the terrorists was to eliminate our support of the Lebanese Government, and to destroy the ability of the Lebanese people to determine their own destiny.

To answer those who ask if we're serving any purpose in being there, let me answer a question with a question. Would the terrorists have launched their suicide attacks against the multinational force if it were not doing its job? The multinational force was attacked precisely because it is doing the job it was sent to do in Beirut. It is accomplishing its mission.

Now, then, where do we go from here? What can we do now to help Lebanon

[13] The meeting took place in Paris.

gain greater stability so that our Marines can come home? Well, I believe we can take three steps now that will make a difference. First, we will accelerate the search for peace and stability in that region. Little attention has been paid to the fact that we've had special envoys there working, literally, around the clock to bring the warring factions together. This coming Monday [14] in Geneva, President Gemayel of Lebanon will sit down with other factions from his country to see if national reconciliation can be achieved. He has our firm support. I will soon be announcing a replacement for Bud McFarlane who was preceded by Phil Habib. [15] Both worked tirelessly, and must be credited for much if not most of the progress we've made.

Second, we'll work even more closely with our allies in providing support of the Government of Lebanon, and for the rebuilding of a national consensus.

Third, we will ensure that the multinational peacekeeping forces, our Marines, are given the greatest possible protection. Our Commandant of the Marine Corps, General Kelley, returned from Lebanon today and will be advising us on steps we can take to improve security.

Vice President Bush returned just last night from Beirut and gave me a full report of his brief visit.

Beyond our progress in Lebanon, let us remember that our main goal and purpose is to achieve a broader peace in all of the Middle East. The factions and bitterness that we see in Lebanon are just a microcosm of the difficulties that are spread across much of that region.

A peace initiative for the entire Middle East, consistent with the Camp David Accords and U.N. Resolutions 242 and 338, still offers the best hope for bringing peace to the region.

Let me ask those who say we should get out of Lebanon: If we were to leave Lebanon now, what message would that send to those who foment instability and terrorism?

If America were to walk away from Lebanon, what chance would there be for a negotiated settlement producing a unified democratic Lebanon?

If we turned our backs on Lebanon now, what would be the future of Israel? At stake is the fate of only the second Arab country to negotiate a major agreement with Israel. That's another accomplishment of this past year, the May 17th Accord signed by Lebanon and Israel.

If terrorism and intimidation succeed, it will be a devastating blow to the peace process and to Israel's search for genuine security. It won't just be Lebanon sentenced to a future of chaos. Can the United States, or the free world, for that matter, stand by and see the Middle East incorporated into the Soviet bloc? What of Western Europe and Japan's dependence on Middle East oil for the energy to fuel their industries? The Middle East, as I've said, is vital to our national security and economic well-being.

Brave young men have been taken from us. Many others have been greviously wounded. Are we to tell them their sacrifice was wasted? They gave their lives in defense of our national security every bit as much as any man who ever died fighting in a war. We must not strip every ounce of meaning and purpose from their courageous sacrifice.

We're a nation with global responsibilities. We're not somewhere else in the world protecting someone else's interests. We're there protecting our own.

I received a message from the father of a Marine in Lebanon. He told me, "In a world where we speak of human rights, there is a sad lack of acceptance of responsibility. My son has chosen the acceptance of responsibility for the privilege of living in this country. Certainly in this country one does not inherently have rights, unless the responsibility for these rights is accepted." Dr. Kenneth Morrison said that while he was waiting to learn if his son was one of the dead. I was thrilled for him to learn today that his son Ross is alive and well and carrying on his duties in Lebanon.

Let us meet our responsibilities. For longer than any of us can remember, the people of the Middle East have lived from war to war with no prospect for any other future. That dreadful cycle must be broken. Why are we there? What a Lebanese mother told one of our Ambassa-

[14] October 31.

[15] On November 3, the President announced the appointment of Donald Rumsfeld as his special representative for the Middle East.

dors, that her little girl had only attended school 2 of the last 8 years. Now, because of our presence there, she said her daughter could live a normal life. With patience and firmness, we can help bring peace to that strife-torn region—and make our own lives more secure. Our role is to help the Lebanese put their country together, not to do it for them.

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Document 385

Testimony by the Secretary of Defense (Weinberger) Before a Subcommittee of the House Appropriations Committee, November 8, 1983 (Extract) [16]

Explanation of the Decision Not To Use Israeli Medical Facilities

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MR. ADDABBO. Two questions have occurred to me as chairman of the committee.

One, relative to the security at and around the barracks; is it normal to have that many men stationed in one barracks in a zone of hostility, as they were?

The second question is why were the injured men, following the terrorist attack, flown all the way to Germany and not to the most available hospital, such as the hospitals in Israel? The question has been raised as to why the injured were flown such a great distance, rather than utilizing hospitals closer to the scene.

SECRETARY WEINBERGER. Well, Mr. Chairman, on the first question, as far as why there were so many in the building, you have to bear in mind that the principal threat until the time of this attack was rocket-propelled grenades, mortars, small arms fire, and automatic weapons. This is the kind of thing that is best guarded against by getting inside a reinforced concrete structure and this happened to be one of the very few whole standing buildings.

I think you have been in Beirut, and seen the terrible damage in all the various areas. This was a new and modern building that was undamaged. It was a building that bore out the commander's decision to put the marines inside, because nobody has been injured or wounded by this type of fire since occupying it. Obviously in hindsight, having that many men in the building when it blows up means that you have a very terrible loss of life. I believe General Kelley can develop at greater length the reasons why the threat seemed to be, and indeed was, from the kind of fire that I have described.

On the hospitalization, as they say, I am glad you asked that question because we have had a great deal of misinformation about that. I would like to provide a chronology, if I could, for a few moments and then be glad to take any additional questions.

I first heard about this terrible tragedy about 1:30 a.m. Sunday morning within moments after it happened—and throughout the rest of that night.

The only medical information we had at that time was the terrible loss of life. I think the first estimate was something like 40, which gives you a rough idea of how little was known immediately, and that the wounded were being evacuated as quickly as possible.

Somewhere around 11 a.m., I guess, roughly 10 hours or so after the tragedy, Defense Minister Arens of Israel telephoned me and offered his condolences for this terrible thing and said, is there any help we can give? If there is, be sure and call on us. That means a number of things, including hospitalization. "We would be very glad to offer use of our hospitals in Tel Aviv or anywhere else."

I thanked him very much and told him that was a very generous and welcomed offer and that I would immediately pass it on to the commander. I talked to General Vessey who in turn got in touch with the European Command that has the direct

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[16] Source: *Department of Defense Appropriations. Hearing Before a Subcommittee of the Committee on Appropriations, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 3–5. Weinberger testified before the Subcommittee on Defense in Executive Session. The source text is a sanitized version of the hearing.

command authority over the area. My later understanding, I didn't hear it right then, was that everybody was extremely grateful, but that they did have adequate hospital and evacuation facilities.

You asked about the distances and the speed. The wounded were evacuated by fixed wing aircraft from the airport and taken directly to hospitals on Cyprus which had been previously agreed to with the British, and many were treated at that hospital. Others were taken by helicopter directly to the ships and then evacuated to Germany.

The flight to Haifa, the hospital there, had to be by helicopter, and would have taken much longer than getting the people by fixed wing aircraft to Cyprus. In any event it was, the commander's decision. Obviously, as I am sure you can appreciate, I do not direct which squad fires which bullets, nor do I direct which doctor treats people away from Washington. That is obviously left to the commander.

There was never at any time, Mr. Chairman, and I would certainly like to get this point on the record unequivocally, any suggestion that we should not use an Israeli hospital for political reasons. That is absolute nonsense. As I described on the air, it is a total lie. Yet, it is a story which surfaced within a couple of days, and I'd like to repeat is totally and completely wrong. We did, however, ask the Israelis for some body bags, a very grisly item, but necessary for this kind of thing, which they furnished within an hour, and again, was much appreciated.

I wrote Minister Arens the next day thanking him very much for his offer and telling him that the advice I had was that it was not necessary, but it was much appreciated. So the evacuation continued to either Cyprus or to Germany.

One thing you have to bear in mind, of course, which we tend to forget, and that is, that you cannot evacuate anybody if they are not in stable condition. So a lot of people could not be evacuated immediately because they were in no condition. To the best of my knowledge, and we have researched this other part of the misinformation that has been floating around, only one person died while being evacuated. Incidentally that was a person given zero chance of being saved at the time he was airlifted out. There is no question it was a terrible tragedy, but it shouldn't be made worse by, frankly, a lot of lies.

Now the other thing that I think we should bear in mind, just as a kind of footnote, is that last Friday there was a similar incident that killed a great many Israeli soldiers in the Sidon area. [17] We heard of it within a few hours after it happened and I telephoned Mr. Arens, and again expressed the same kind of condolences he had. I told him we deeply regretted this incident and offered any kind of assistance that would be helpful to him, including hospitalization.

He thanked me very courteously and said that it was very much appreciated, but they could take care of their own in their nearby facilities, but that they did appreciate our offer.

Now, oddly enough, there hasn't been one word in the paper either about that offer or his refusal. His refusal was not based on political reasons, but on the adequacy of his own facilities. Our reaction, was that it was not a refusal at all . . . [18] it was a statement that if the commanders needed it they would surely use it.

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Document 386

Resolution 542 (1983), Adopted by the U.N. Security Council, November 23, 1983 [19]

Call For a Cease-fire in Northern Lebanon

The Security Council,

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[17] On Friday, November 4, a truck exploded at the Israeli military headquarters in southern Lebanon in Tyre killing 39 Arabs and Israelis and wounding 32.

[18] Ellipsis is in the source text.

[19] Source: U.N. Security Council Resolution 542 (1983). The resolution was adopted without opposition.

Having considered the situation prevailing in northern Lebanon, [20]

Recalling the statement made on this question by the President of the Council [21] on 11 November 1983 (S/16142),

Deeply concerned by the intensification of the fighting, which continues to cause much suffering and great loss of human life,

1. *Deplores* the loss of human life caused by the events taking place in northern Lebanon;

2. *Reiterates* its call for the strict respect for the sovereignty, political independence and territorial integrity of Lebanon within its internationally recognized boundaries;

3. *Requests* the parties concerned immediately to accept a cease-fire and scrupulously to observe the cessation of hostilities;

4. *Invites* the parties concerned to settle their differences exclusively by peaceful means and to refrain from the threat or use of force;

5. *Pays tribute* to the work done by the United Nations Relief and Works Agency for Palestine Refugees in the Near East and by the International Committee of the Red Cross in providing emergency humanitarian assistance to the Palestinian and Lebanese civilians in Tripoli and its surroundings;

6. *Calls upon* the parties concerned to comply with the provisions of this resolution;

7. *Requests* the Secretary-General to follow the situation in northern Lebanon, to consult with the Government of Lebanon, and to report to the Council, which remains seized of the question.

[20] The reference is to the conflict in Tripoli and elsewhere between contending factions of the Palestine Liberation Organization. Syrian-backed elements had rebelled against Arafat's leadership.

[21] Victor J. Gauci of Malta.

Document 387

Statements by President Reagan and Lebanese President Gemayel, December 1, 1983 [22]

U.S. Talks with President Gemayel

THE PRESIDENT. It's been my great pleasure to once again welcome our friend, President Gemayel, to Washington. President Gemayel symbolizes Lebanon's hopes for unity, peace and stability—goals for which all of us are working so hard and for which many Americans and many more Lebanese have sacrificed their lives.

We admire President Gemayel's personal courage. We applaud his determination to free his country of all foreign forces and to reunite the Lebanese people. Lebanon once shined as a—like a jewel in the sun. And America will do what it can to support Lebanon's efforts to restore her tranquillity and independence.

To this end, we stand by the May 17 agreement as the best and most viable basis for the withdrawal of Israeli forces from Lebanon. And once again, I appeal to the other external forces to leave Lebanon.

I was particularly impressed by the initiative that President Gemayel took in calling for national dialog. Today, he and I have discussed his programs for national unity. And, Mr. President, your efforts to broaden the base of your government, bringing in Lebanon's many communities, will do much to rebuild a stable and pros-

[22] Source: White House Press Release, December 1, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, December 5, 1983, pp. 1630–1631. The two Presidents spoke at 1:25 p.m. to reporters on the South Portico of the White House following their meeting, which was attended by other officials, including Vice President Bush, Secretary of State Shultz, and Donald Rumsfeld, the President's Personal Representative in the Middle East, in the Oval Office. They had then met, with other U.S. and Lebanese officials, in the Cabinet Room and attended a luncheon in the State Dining Room. Gemayel's November 30–December 3 visit to Washington followed immediately upon Israeli Prime Minister Shamir's November 27–30 visit. For documentation on the Shamir visit, see documents 327 and 328.

perous Lebanon. It will do much to restore confidence in the future. It will do much to stop the loss of so many innocent lives.

President Gemayel has already achieved a measure of success through the effective leadership that he demonstrated during the first round of reconciliation talks in Geneva. Yet, there is still a long way to go, and Lebanon can count on our help. Our Marines, along with our allies in the multinational force, are in Beirut to demonstrate the strength of our commitment to peace in the Middle East. And I know you agree with me, Mr. President, that the American people can be proud of the job that our Marines are doing.

Their presence is making it possible for reason to triumph over the forces of violence, hatred and intimidation. My special representative for the Middle East, Don Rumsfeld, returned recently from his first round of meetings in the region. He'll be returning to the area soon and will be working directly with President Gemayel to arrange foreign troop withdrawals and to pursue Lebanese national reconciliation.

We're delighted to have you with us today, Mr. President, and we wish you Godspeed on your return home.

PRESIDENT GEMAYEL. Mr. President, I want to thank you and the American people to whom we, in Lebanon, owe so much.

This is my third visit to Washington and probably the most important because of the intensity of the crisis in Lebanon and the region. Yet, I'm confident that actions, properly conceived and executed at this time, can result in dramatic movement towards stability, security, and peace.

Today, we explored, as partners, the best ways and means not to merely implement agreement, but going beyond the letter of the law to set up the most appropriate mechanism and conditions for the achievement of our common interests and policy objectives. We found ourselves in full agreement on the necessity of withdrawal of all external forces from Lebanon and the full restoration of the Lebanese sovereignty and exclusive authority over all of Lebanon's territory within its internationally recognized borders. This, and this alone, will put an end to the continuing tragedy which is now engulfing not only Lebanese, but Americans in Lebanon as well. Hence, it is imperative for us all to break the cycle of violence which has been preventing the people for the past decade from exerting their divine and natural right of self-determination and the shaping of a free modern society in full social and economic partnership.

I found in Washington full comprehension of the fact that leading Lebanon out of the present impasse is not only a question of justice and right, but also a matter of common interest both for its neighbors and the United States.

I view our discussions today with a sense of pride and accomplishment. And I'm gratified by President Reagan's commitment, and the support of the American people. I look forward, with hope, that actions taken as a result of our discussions, fortified by the courage and vision of the American and Lebanese people will result in peace in Lebanon and the entire region.

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Document 388

Statement by the Secretary of State (Shultz), December 2, 1983 (Extract) [23]

Review of U.S. Talks With President Gemayel

President Gemayel and I and many people working with us have talked a great deal about the situation in Lebanon. We've reviewed the situation extensively from Tripoli on down through the south. We have, I think, imparted to ourselves a genuine sense of urgency about the need to work on these problems, so that we impart a sense of concern on the one hand but confidence on the other that these efforts that we're going to make will work. We, of course, see this visit as part of a process which has been going on for a year or so now and at the same time, we have felt that as we approach the development of a strong working partnership that has been forged here—that we will give

[23] Source: Department of State files.

somewhat more structure to these efforts by creating a committee on military matters and a committee on economic matters that will essentially take in the things that are ongoing and give them somewhat more structure and coherence in their work.

We've discussed, of course, the military situation. President Gemayel has brought forward to our military some additional suggestions which are being reviewed and are being discussed extensively and at the same time, we've talked a great deal about the economic and financial problems in Lebanon. We have reaffirmed the importance of the basic objectives that we have talked about now for some time and which President Reagan has insisted upon, particularly focussing on the importance of withdrawal of all foreign forces from Lebanon and of course, we want to see the emergence of a broadly based strong central government in Lebanon with appropriate security arrangements all around.

As we work toward those broad objectives, we also have identified a number of concrete intermediate things that we feel are important to do and we are making plans to carry them out—put them into operation. We want to see if the siege can be lifted and we want to see that happen to a besieged village.[24] We want to look to the question of greater civil authority in all occupied areas so those are examples of many things we have discussed that represent immediate steps.

So, a thorough review of the situation, a sense of urgency, a reaffirmation of our basic objectives, the provision of some additional structure in the manner in which we are working, a close examination of the content—the important content of key issues and focussing and continuing focussing on the many intermediate steps represents the description of what has taken place in this visit and out of it, speaking at least on my own part, I have a renewed sense of confidence that we are going to succeed in Lebanon.

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[24] Presumably this is a reference to the Druze siege of the village of Dayr al-Qamar where many Christians had been trapped since early September. The siege was lifted on December 15, 1983.

Document 389

Statement and Remarks by President Reagan, December 4, 1983 (Extracts)[25]

U.S. Air Strike in Lebanon

THE PRESIDENT. Good afternoon. For some time now, we have been flying regular and routine reconnaissance flights with unarmed planes in Lebanon as a part of the protection and defense of our forces there. We notified the Syrians of this some time ago, assuring the planes were unarmed; this was purely for reconnaissance. There have been some instances of firing at those planes now and then from unknown sources. But early yesterday, two such reconnaissance missions were fired upon by literally hundreds of anti-aircraft and a combination of surface-to-air missiles which were coordinated in several sites by the Syrians. Early today, we responded to this unprovoked attack by striking back at those sites from whence had come the attack.

We don't seek hostilities there. Our mission remains what it was: to help stabilize the situation in Beirut until all the foreign forces can be withdrawn and until the Government of Lebanon can take over the authority of its own territory. But we are going to defend our forces there. And this was the reason, or the purpose of the mission earlier today.

Q. Are you going to negotiate to get the two pilots back? Are there two lost or unaccounted for?

THE PRESIDENT. Yes. We've had this report that two of the pilots, or the crew of one plane—two planes were shot down of ours. The pilot, as you know, was rescued that landed outside of that area. Two inside. I don't have any further word except that we are attempting to negotiate their release.[26]

[25] Source: White House Press Release, December 4, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, December 12, 1983, pp. 1644–1645. The President spoke to reporters on the South Lawn of the White House upon his return from Camp David beginning at 1:39 p.m.

[26] Navy Lieutenant Mark A. Lange was killed and Lieutenant Robert O. Goodman was taken

Continued

There have been rumors or reports of some kind of the loss of one. But we have no substantiation of that.

. . . . . .

Q. Are we at war with Syria? Do you fear a military confrontation with Syria at this point?

THE PRESIDENT. Do we fear a military confrontation with Syria? Well, I think that's the wrong word. The question is wrong. We don't want such a thing, we don't desire it. But—and I think this will answer your question over here at the same time about if it happens again, will we fire back—we haven't fired at anyone unless it has been to return fire against attacks made upon our forces.

Yes, if our forces are attacked, we will respond. We're going to defend our personnel that is there.

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Document 390

Address by President Reagan, December 10, 1983 [27]

U.S. Pursuit of Peace in Lebanon

My fellow Americans, I'd like to talk to you today about the deep desire we all share to bring peace to Lebanon. These past several weeks have brought bitter tragedy and sorrow to all of us. The loss of even one of our splendid, young Americans is an enormous price to pay.

The number of dead and wounded is a terrible burden of grief for all Americans. It's unimaginably more so for the families who have lost a father, husband, a son, or a brother. Their deaths are testimony to the savage hatreds and greedy ambitions which have claimed so many innocent Lebanese lives.

The human toll in Lebanon is staggering. Lebanon's losses since 1975 would be comparable to the United States losing ten million of its citizens. What conceivable reason can there be for this wanton death and destruction?

Lebanon's suffering began long before a single Marine arrived. In the early 1970's, many thousands of Palestinians entered Lebanon. Lebanon's fragile political consensus collapsed and a savage civil war broke out.

The Palestinians also had a military—the armed PLO. Trained in terrorist tactics by Soviet-bloc nations and Libya, the PLO joined the civil war and attacked Israeli targets, villages and schools across the border, between Lebanon and Israel.

In the midst of all this, Syria was asked to intervene and stop the civil war. In the process, it occupied a large part of Lebanon. However, Syria did nothing to control terrorism against Israel's northern border. Israel decided to neutralize the PLO, and in June 1982 mounted a full-scale invasion across the border. This resulted in another major round of fighting between Syria, the PLO and Israel. Shelling and bombing pounded Beirut. Thousands more died.

We negotiated a cease-fire and then joined the multinational force at the request of the Lebanese Government to make possible the peaceful separation of the forces. This is the second time in 25 years that we have come to support the Lebanese Government in restoring peace.

In 1958, President Eisenhower used a bipartisan congressional resolution to send 8,000 American soldiers and Marines to Lebanon. [28] When order was restored, our military came home. But in 1958, there were no occupying foreign armies and there was no Soviet presence in Syria.

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prisoner when their plane was shot down in an attack upon Syrian installations north of the Beirut–Damascus highway. Navy Commander Edward T. Andrews was rescued when his plane was also downed.

[27] Source: White House Press Release, December 10, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, December 19, 1983, pp. 1675–1676. The President addressed the Nation by radio from Camp David beginning at 12:06 p.m.

[28] The reference is to H.J. Res 117, P.L. 85-7, March 9, 1957; for text, see 71 Stat. 5. The Marines landed on July 15, 1958.

Today, there are more than 7,000 Soviet military advisers and technicians.

In September 1982 I offered a plan to bring peace to the region. It called for a just solution to the Palestinian problem as well as a reasonable settlement of issues between the Arab states and Israel.

Success in Lebanon is central to sustaining the broader peace process. We have vital interests in the Middle East which depend on peace and stability in that region. Indeed, the entire world has vital interests there. The region is central to the economic vitality of the Western world. If we fail in Lebanon, what happens to the prospects for peace, not just in Lebanon, but between Israel and her neighbors and in the entire Middle East?

Once internal stability is established and withdrawal of all foreign forces is assured, the Marines will leave. But because we care about human values for ourselves, so must we be concerned when freedom, justice and liberty are abused elsewhere. That is the moral basis which brought our Marines to Lebanon.

We have acted with great restraint despite repeated provocations and murderous attacks. Our reconnaissance flights have only one purpose, and the Syrians know it: to give the greatest possible protection to our troops. We will continue to do whatever is needed to ensure the safety of our forces and our reconnaissance flights.

The peace process is slow and painful, but there is progress which would not have been possible without the multinational force. Last May with our help the Governments of Lebanon and Israel negotiated an agreement providing for the withdrawal of Israeli forces. In September when the Israelis pulled back their forces from the Shuf Mountains near Beirut, Lebanese attempts to extend their authority into this area were met by violent opposition from forces supported by Syria. We will redouble our diplomatic efforts to promote reconciliation and achieve withdrawal of all foreign forces.

At a recent meeting in Geneva all the Lebanese parties agreed to recognize the present government as the legitimate representative of the Lebanese people. Talks have begun to broaden the base of the government and to satisfy the legitimate grievances of all the people.

My special envoy, Ambassador Don Rumsfeld, has returned to the region and will continue trying to move the peace process forward on all fronts. Lebanon's agony must end.

Today is the 35th anniversary of the United Nations Universal Declaration of Human Rights. The Lebanese people are struggling for their human rights. We call upon everyone involved to give that birthright back to the Lebanese.

Until next week, thanks for listening, and God bless you.

Document 391

Transcript of the Department of State Daily Press Briefing, December 12, 1983 (Extract) [29]

U.S. Support For the U.N. Plan To Evacuate Arafat's Forces From Tripoli

Q. Do you have anything today on the PLO evacuation, the Israeli displeasure with that, and the Israeli complaint on the U.N. flags on the evacuating vessels?

A. As we have said before, we support sparing the city of Tripoli from further bloodshed caused by fighting by PLO factions. We join the U.N. Security Council consensus endorsing the use of the U.N. flag in effecting the evacuation from Tripoli of PLO fighters loyal to Arafat. [30]

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[29] Source: Office of Press Relations, Department of State. Alan Romberg, Department of State Acting Spokesman, conducted the briefing which began at 12:24 p.m.

[30] On December 3, U.N. Secretary-General Javier Perez de Cuellar indicated that he agreed to permit ships evacuating Arafat's forces from Tripoli to fly the U.N. flag. He stated that he had agreed to afford such symbolic protection

Continued

The Arabs have worked out an arrangement whereby Arafat would depart Tripoli by ship. Arafat has asked that the ships fly the U.N. flag. We went along with this decision. We did so out of humanitarian concern and thought the departure of a large number of PLO fighters as a step consistent with our objective of the withdrawal of foreign forces from Lebanon.

. . . . . .

Document 392

Report Prepared by the Departments of State and Defense, December 12, 1983 [31]

Lebanon Report on U.S. Participation in the Multinational Force

U.S. Foreign Policy Interests Served by U.S. Participation in the MNF

The Government of Lebanon (GOL) requested the return of the Multinational Force (MNF) to the Beirut area following the tragedy of Sabra/Shatilla. The presence of the MNF was requested specifically to facilitate the restoration of Lebanese Government sovereignty and authority over the Beirut area and thereby to further efforts of the Lebanese Government to assure the safety of persons in the area and to bring an end to the violence. The MNF remains in Lebanon to help provide the Lebanese Government and Lebanese communities an opportunity to reach agreement on broadening the government and to negotiate the withdrawal of foreign forces. The presence of U.S. forces is a critical part of a shared effort with our Western allies—the British, French, and Italians—in the Multinational Force. They are as committed as we to assisting the Lebanese to restore peace and stability to their country. The presence of this Multinational Force further symbolizes Western support for Lebanon's efforts not only to withstand external pressure but to enter serious negotiations with Syria on troop withdrawals. Premature withdrawal of the MNF would damage seriously the international credibility of the United States and its partners and call into question the resolve of the West to carry out its responsibilities to help the free world defend itself. Such action would certainly bring about a return to full scale hostilities in Lebanon and regional instability threatening vital U.S. interests.

Situation in Lebanon: Level of Fighting and Status of Ceasefire

On September 26, 1983, a ceasefire for the Beirut and nearby mountain areas (the Shuf) became effective among the Lebanese Government, the Druze, the Shia, and the Syrian Government. Saudi Arabia and the United States played major mediating roles in achieving this agreement. The ceasefire agreement of September relates only to the Shuf and Beirut. It does not apply to the situation in Tripoli, an area outside the purview of the MNF, in any case. On October 23, two suicide truck bombs destroyed U.S. and French MNF buildings killing almost 300 soldiers. The French Air Force responded on November 16 to the attack in an airstrike on Iranian positions in the Bekaa. The Israeli Air Force conducted a series of airstrikes against chiefly Palestinian positions in the Shuf and Bekaa in response to the November 4 truck bombing of IDF Headquarters in Sidon. On December 3, U.S. reconnaissance planes were fired on by Syrian anti-aircraft guns and surface-to-air missiles. The United States responded to this attack with airstrikes on the offending positions on December 4. These strikes were limited in nature, proportionate to the attack on our reconnaissance planes, and designed to prevent further such attacks. Our reconnaissance flights and their protection are necessary to ensure the

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solely on humanitarian grounds. That same day, the President of the Security Council indicated, after consultation with the members of the Council, that the Secretary-General had that body's support. Five Greek ships, escorted by French naval units, evacuated 4,000 of Arafat's forces from Tripoli on December 20, 1983. See U.N. documents S/16194, Statement by the Secretary-General at Security Council consultations held on December 3, 1983; S/16195, Statement by the President of the Security Council on December 3, 1983; and S/16228, Report of the Secretary-General in pursuance of Security Council Resolution 542 (1983), December 21, 1983.

[31] Source: Department of State files. The report was prepared by the Secretaries of State and Defense consistent with Section 4 of the Multinational Force in Lebanon Resolution. The report was transmitted to the Speaker of the House of Representatives, Thomas P. O'Neill, Jr., and to the President pro tempore of the Senate, Strom Thurmond, on December 14, 1983.

safety of the MNF in Lebanon. They had no other purpose. Two aircraft were lost, one airman killed and one captured. On the same day, heavy shelling from the Shuf onto Marine positions killed eight Marines and wounded two.

There have been virtually daily violations of the September 26 ceasefire in the Shuf and Beirut areas. The Security Arrangements Committee, established by the ceasefire agreement of September, continues to meet virtually every day and attempts to resolve the disputes sparking the ceasefire violations. The level of fighting changes from day to day, depending on the degree of success of continued efforts of the Security Arrangements Committee to resolve problems. The flareups usually do not last for more than a few hours; continuous fighting has not lasted for over one day since the September 26 ceasefire. Some of the firing has been directed at Marine positions at the airport, which has been closed since December 1. It is not possible at this time to predict the duration or course of the intermittent fighting.

Responsibilities, Activities, and Composition of the MNF

Under its mandate, the MNF provides an interposition force at agreed locations, constituting a multinational presence requested by the Lebanese Government to assist it and the Lebanese Armed Forces (LAF) in the Beirut area. This presence facilitates the restoration of Lebanese Government sovereignty and authority over the Beirut area and thereby furthers the efforts of the Lebanese Government to assure the safety of persons in the area. The MNF is not authorized to engage in combat, but may exercise the right of self-defense.

The MNF is currently composed of the following units which perform the functions indicated at the request of the Lebanese Government. Their precise functions within the MNF mission have varied over time and continue to be subject to adjustment in light of changing circumstances:

—One U.S. Marine Amphibious Unit stationed at Beirut Airport as an interposition force which also provides security forces at U.S. diplomatic facilities in Beirut;

—Two interposition Italian battalions in southwest Beirut which also help protect the Sabra and Shatilla refugee camps;

—Two French battalions serving as an interposition force in and near the port of Beirut;

—One British motorized company serving as an interposition force east of the Beirut airport.

In addition, each participant in the MNF has naval and air support forces in the region.

Estimated Cost of U.S. Participation in the MNF.[32]

MNF Deployment:	
U.S. Marine Corps (FY 1984 estimated costs):	
Operations and Maintenance.	$ 6 million
Military Personnel (Hazardous fire pay).	$ 1.2 million
Total	$7.2 million
Support for the MNF:	
U.S. Navy (FY 1984 estimated costs):	
Operations and Maintenance (support for the MAU).	$ 5.8 million
Ship Operations in the Eastern Mediterranean (CVBGs).	$24 million
Augmentation Resupply.	$ 4.3 million
Cargo Handling.	$ .6 million
Other Support....	$ .6 million
Total	$35.3 million

[32] This estimate encompasses all of Fiscal Year 1984 to the present. [Footnote in the source text.]

There have been no major end-item equipment losses by the MAU. Two Navy aircraft have been lost.

MNF Military Casualties

The following military casualties have occurred since the MNF deployment to Beirut in September 1982:

	Killed in Action	*Wounded in Action*	*Captured*
U.S	250	121	1
Italy	2	18	
France	75	56	
UK	0	1	

Efforts to Reduce the MNF

Our strategy to reduce and eventually eliminate the MNF begins with our diplomatic effort to encourage reconciliation among Lebanese factions, expand Lebanese Government control over the territory of Lebanon, and create circumstances that will lead to removal of all foreign troops from Lebanon. The option of replacing the MNF by another type of international peacekeeping force at an appropriate time is also being kept open. As the program of national reconciliation and extension of Lebanese governmental authority progresses, the need for a foreign multilateral presence will be reduced and the MNF can be reduced and eventually eliminated. It is still not possible to predict the duration of the presence of these forces; we will continue to assess this question in the light of progress toward the objective of national reconciliation and establishment of Lebanese Government control.

Contributions to Lebanon by MNF Members

In addition to their contributions of troops to the MNF, members of the MNF are providing military and economic assistance to Lebanon. The United States is providing $150 million in 1983/84 in economic assistance. France has offered $125 million in 1983/84, mostly in commercial credits, while Italy is providing $142 million in soft loans over the next 3–4 years. The United Kingdom has provided $3 million, but it and the others are channeling additional contributions to Lebanon through the European Economic Community. Prime Minister Craxi of Italy has proposed additional economic support for Lebanon as an incentive to rapid progress in the reconciliation process. The United States has strongly supported this initiative.

The United States is also providing $117.5 million in 1983/84 in military loans for military equipment and training as part of our concerted effort to reconstitute the LAF and make it a strong arm of the central government's authority. Reprogramming of additional funds is being contemplated. Italy is discussing the provision to Lebanon of military equipment. France has provided 30 AMX tanks, 40 APC's and 10 light helicopters.

The United States and Lebanon agreed on December 2 to establish economic and military committees to provide additional structure to our bilateral discussions on these issues.

Progress in Training Lebanese Armed Forces

Strengthening the LAF remains an essential element of our Lebanon policy. Although the LAF has not yet attained the desired level of proficiency, it performed well during the August/September combat. The LAF is at least as effective now as it was prior to the heavy fighting. Although it is impossible to be precise as to target dates, particularly in view of intermittent resumption of fighting, we believe the LAF is significantly improving its capabilities to meet its responsibilities to assist the GOL to expand its control and authority.

Programs to improve leadership at middle levels and to enhance recruitment and retention of qualified personnel are underway. The LAF has not had trouble absorbing increased equipment shipments provided by the United States and other countries. Current U.S. efforts focus on training and possible support of an expanded helicopter program. We have completed a survey of Lebanese Air Force requirements, and are considering ways to support an expanded helicopter program through pilot training and perhaps maintenance assistance. To date, the GOL has financed its substantial re-equipment pro-

gram through a combination of credits and its own resources. Continued fighting in Lebanon and the scope of the program may require the GOL to seek increased credits, perhaps at concessional rates.

Progress Toward National Reconciliation

The Lebanese Reconciliation Committee, which was provided for in the September ceasefire agreement, met in Geneva under President Gemayel's chairmanship from October 31–November 5. The agenda had been prepared for the conference a week previously in a one-day meeting of representatives of the government and the factional leaders. The conferees themselves achieved an important measure of personal reconciliation at Geneva and were able to reach a compromise on the first item of the agenda, which was the Arab character of Lebanon. The conference participants also agreed on a method for excluding divisive debate on the May 17 Lebanon–Israel Agreement from the conference, permitting the conference to adjourn its first session in an atmosphere of cordiality and a sense of purpose rather than with the acrimony that was so widely predicted. It is significant that the conference left behind a subcommittee to continue discussion of internal political reforms. That subcommittee has produced a draft agreement which would form a basis for further national reconciliation efforts. President Gemayel, in his discussions in Washington on December 1 and 2, rededicated himself to making rapid progress on the important issue ensuring a wider representation of Lebanese communities in the political process.

Progress in Negotiations Toward Political Settlement

In addition to the efforts already described relating to national reconciliation, President Gemayel, in his discussions in Washington in December, agreed on the need to expand government control throughout the areas not occupied by foreign forces. He further agreed that political accommodation and negotiation would be a necessary part of this process. President Gemayel has undertaken to proceed rapidly in this direction, and the U.S. will be providing its diplomatic support and assistance to this essential goal. It was also confirmed in the Washington discussions with President Gemayel that he will pursue vigorously efforts to engage Syria in discussions to achieve Syrian troop withdrawals. Israel has already agreed to withdraw in the May 17 Lebanon–Israel Agreement. We have encouraged Lebanon to continue its discussions with Israel designed to facilitate the reestablishment of government control throughout Lebanon. Ambassador Rumsfeld, the President's new personal representative for Middle East negotiations departed for the area on December 6 for intensified discussions of issues related to a political settlement.

Document 393

Remarks by President Reagan, December 14, 1983 (Extract)[33]

Explanation of the Circumstances Under Which the Marines Might Withdraw From Lebanon

. . . . . .

Q. Mr. President, you said last Saturday in your radio address[34] that you would keep the Marines in Lebanon until that country had internal stability. Sir, that country—respectfully—has never had internal stability. Isn't that the kind of open-ended commitment that will mean many more Marines' dying, and years and years of an American involvement there?

THE PRESIDENT. No. I think we're making more progress than appears on the surface. And the original goal was the withdrawal of the foreign forces and, then, the reinstitution of the Government of Lebanon and helping them, as we have, to train and raise a force in which they can

[33] Source: White House Press Release, December 14, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, December 19, 1983, pp. 1688–1689. The President made his remarks during a question-and-answer session with reporters which took place in the Briefing Room of the White House beginning at 11:31 a.m. For full text of the session, see *ibid.*, pp. 1688–1692.

[34] See document 390.

assume control over their own territory. The multinational force, they felt, was absolutely necessary, and they still feel that way, to be able to do some maintaining of order as they would then have to move out toward their borders once the foreign forces have gone. Now, this is still the goal, still the thing that we're trying to do.

In Geneva, there was progress made where even those who were opposing each other within the country, the opposing factions, recognized the Gemayel government and agreed upon that government. Now, the thing of the multinational force, what I'm trying to say is, there are two ways in which they could be withdrawn. One of them would be if we achieve our goal. The second would be, of course, if there was such a collapse of order that it was absolutely certain that there was no solution to the problem. There would be no reason for them to stay there.

Q. Are you saying, then, that you would consider withdrawing the Marines if it appeared that the Gemayel government could not extend its authority beyond Beirut and could not create some kind of solution?

THE PRESIDENT. Well, we're getting into hypotheticals now of what the situation—I'm simply saying that if there was a complete collapse and there was no possibility of restoring order, there would be no purpose in the multinational force.

Let me call to your attention that it's not just us, that all of the nations of the multinational force, within a matter of days recently, have reaffirmed their determination that the mission is sound and that we're all going to stay there.

. . . . . .

Document 394

Transcript of a Press Conference by President Reagan, December 20, 1983 (Extracts) [35]

Clarification of the U.S. Withdrawal Policy

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Q. Mr. President, last week you said that if there is complete collapse you will pull the troops out of Lebanon. [36] Did you mean that if Gemayel fails to put together a broad viable government that you would pull out, or can you clarify? And I would like to follow up.

THE PRESIDENT. Yes, I can clarify, Helen. [37] Actually I was asked a hypothetical question about whether there were any other circumstances other than achieving our goal by which the Marines might leave or the whole multinational force, and I tried, I guess I tried to give a hypothetical answer to that and maybe a bad choice of words.

I simply meant that the only thing I—and I don't foresee this—but the only thing I could think of, other than achieving our goal, would be if perhaps that government and the forces that he's dealing with in trying to broaden the government, if there should be a complete change of course to the place that we were no longer asked to be there, that they were going in a different direction than the one that brought us in in the first place at their request, then I suppose that would be a reason for bringing them out. But, I wasn't trying to send anyone a message or anything. I was just trying to say,

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[35] Source: White House Press Release, December 20, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, December 26, 1983, pp. 1723–1724 and 1728–1729. The press conference took place in the Old Executive Office Building beginning at 8:02 p.m. For the complete text of the press conference, see *ibid.*, pp. 1723–1730.

[36] *Supra.*

[37] Helen Thomas of United Press International. (Identified in *Weekly Compilation of Presidential Documents*, December 26, 1983, p. 1723.)

well, yes, you can't say there isn't any other by which they wouldn't come out.

. . . . . .

Q. Mr. President, you said earlier tonight that you would not send American soldiers or Marines into a situation where they could not fight back. Haven't we sent them into a role in Beirut, a political, a diplomatic role as peacekeepers where they do not have adequate safeguards against terrorism?

THE PRESIDENT. No, I don't know what you call, adequate safeguards against terrorists, or what we would call it. You know anytime that you—and particularly in a place like that where even innocent civilians in the street are mowed down simply because snipers want to shoot someone—it's been that kind of a scene. It's that kind of a thing that we're trying to resolve on behalf of the innocent people there who want to live in peace like the rest of us.

Sometime I'm going to impose on you and read some of the letters that I get from people in Lebanon who tell us what life would be like if the multinational force wasn't there, and what it has meant in their lives as individuals living in the midst of that kind of brutality and bloodshed. And I was under no illusion, and I have to tell you that I have discovered for myself that the hardest thing you'll ever have to do in this job is give an order that puts some of those wonderful young men and women in our military uniforms in places like that. But in the interest of our own national security and in the interest of overall peace, some of these things have to be done.

The Middle East is a tinderbox. It is the one place that could start a war that no one wanted because of its importance, particularly to the free world and to our allies. And we can't just turn away and say if we don't look, it will go away. And this all started because of our determination to try and bring about peace between those factions that have been for so long warring with each other; the moderate Arab States again and the progress that we've made. There was a refusal on their part to even acknowledge the right of Israel to exist as a nation. So therefore there could be no negotiation. Anwar Sadat, God rest his soul, broke out of that mold, and we have peace between two countries, and the territory of the Sinai has been returned to Egypt by Israel. And they are at peace with each other.

Our goal was to see if we couldn't find more leaders and more governments that would become Egypts, in a sense, in settling their disputes and having peace.

And today the very fact that there is an indication that they are willing and prepared to negotiate differences indicates that they no longer are holding that position of refusing to let Israel exist.

. . . . . .

Q. Mr. President, within days of your inauguration in 1981, you vowed that Americans would not be held hostage again. Well, the Syrians are holding Airman Lieutenant Robert Goodman, and say they won't release him until the Marines leave Lebanon. Do you consider Lieutenant Goodman a hostage? And what efforts are underway to secure his release?

THE PRESIDENT. Well, we have believed for a long time that the settlement there must be—in this whole area—must be political. And I should have said this earlier, in my answer before about the history of this Lebanese situation. But we've had Ambassadors there from Phil Habib, Ambassador McFarlane and, now, Don Rumsfeld, because we're determined that there is a possibility. And it is the only way. You cannot—this can't be settled by force. And it is going to be settled that way.

And Ambassador Rumsfeld has been in Damascus. He has met with the Syrians.[38] Certainly, that is very high on the agenda. The Syrians claim that he's a prisoner of war. Well, I don't know how you have a prisoner of war when there is no declared war between nations. I don't think that makes you eligible for the Geneva Accords.

But, yes, we want that young man back. And, as I say, we're not missing anything, any possibility in trying to bring to terms these various factions so that we can achieve the goal of restoring order, a broader-based government in Lebanon acceptable to more of the people, those that are presently hostile to this government,

[38] Rumsfeld met with Syrian leaders on December 14 and 15.

and the foreign forces back to their own borders.

Q. But, sir, is the Lieutenant, Goodman, in your opinion a hostage? And do you think the Syrians will use him as a bargaining chip?

THE PRESIDENT. I doubt that very much. I really do. The—in the sense of holding it up for trading something or other, no, I don't believe so.

But I'm sorry that he is there. And I'm glad he is alive. But we're going to make every effort to get him back as quickly as possible.

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Document 395

Statement and Remarks by President Reagan, December 27, 1983 (Extracts) [39]

Response to the Findings of the Long Commission

I received the report of the Long Commission [40] last Friday [41] and have reviewed it thoroughly. The report draws a conclusion that the United States and its military institutions are by tradition and training inadequately equipped to deal with the fundamentally new phenomenon of state-supported terrorism. I wholeheartedly agree.

The thrust of the history of this country is that we've recognized a clear distinction between being at peace with other states and being at war. We have never before faced a situation in which others routinely sponsor and facilitate acts of violence against us while hiding behind proxies and surrogates which claim—they claim they do not fully control.

Now, this problem is not unique to Lebanon. We've seen the ugly manifestation in Kuwait, [42] the terrorist bombing in Rangoon, [43] the senseless murder of Turkish diplomats, [44] the attack on the Pope, [45] the bombing of our own Capitol, [46] and on the streets of London. [47]

In the days ahead we need to systematically redevelop our approach to this problem, recognizing that the worst outcome of all is one in which terrorists succeed in transforming an open democracy into a closed fortress. Now, one fact, though, is already obvious. The problem of terrorism will not disappear if we run from it. This is not to say that we're not working as urgently as possible to create political conditions in Lebanon that will make it possible for us to remove our forces. But we must not delude ourselves into believing that terrorism will vanish on the happy day that our forces come home.

For terrorists to be curbed, civilized countries must begin a new effort to work together, to share intelligence, to improve our training and security, and our forces to deny havens or legal protection for terrorist groups, and, most important of all, to hold increasingly accountable those countries which sponsor terrorism and terrorist activity around the world.

The United States intends to be in the forefront of this effort. For the near term, corrective action is being urgently taken to insure the maximum possible security of our forces. Nearly all the measures that were identified by the distinguished mem-

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[39] Source: White House Press Release, December 27, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, January 2, 1984, pp. 1745–1747. The President made this statement in the Briefing Room of the White House beginning at 9:16 a.m.; a question-and-answer session with reporters followed. For full text of this session, see *ibid.*, pp. 1745–1748.

[40] For an extract from this report, see document 122.

[41] December 23.

[42] A truck loaded with explosives blew up outside the U.S. Embassy in Kuwait on December 12, 1983.

[43] An explosion for which North Korea was apparently responsible killed a number of South Korean Cabinet members and Presidential advisers visiting Rangoon on October 9, 1983.

[44] The Turkish Ambassador to Yugoslavia was killed on March 9, 1983, as was a Turkish Attaché in Brussels on July 14, 1983, and the wife of the Turkish Chargé in Lisbon on July 27, 1983. Various Armenian terrorist organizations claimed responsibility for the attacks.

[45] The reference is to the May 13, 1981, attempt on the life of Pope John Paul II.

[46] On November 7, 1983, a bomb exploded inside the Capitol for which the Armed Resistance Unit claimed credit.

[47] The Irish Republican Army exploded a car bomb outside Harrods department store in London on December 17, 1983.

bers of the Commission have already implemented—or have already been implemented, I should say—and those that have not, will be very quickly.

The Commission report also notes that the mission of the Marines is extremely difficult, and with this too there can be no dispute. We recognized the fact at the beginning and we're painfully mindful of it today. But the point is that our forces have already contributed to achievements that lay the foundation for a future peace, the restoration of a central government, and the establishment of an effective national Lebanese army.

We do not expect Utopia, but I believe that we're on the verge of new progress toward national reconciliation and the withdrawal of foreign forces.

And let me finally say that I have soberly considered the Commission's word about accountability and responsibility of authorities up and down the chain of command. And, everywhere, more should be done to anticipate and prepare for dramatic terrorist assaults. We have to come to grips with the fact that today's terrorists are better armed and financed, they are more sophisticated, they are possessed by a fanatical intensity that individuals of a democratic society can only barely comprehend.

I do not believe, therefore, that the local commanders, on the ground, men who have already suffered quite enough, should be punished for not fully comprehending the nature of today's terrorist threat.

If there is to be blame, it properly rests here in this Office and with this President. And I accept responsibility for the bad as well as the good.

In this holiday season, our minds are drawn, more than ever, to the Middle East. And while the violence of this region has been the cause of much of our anguish—certainly over the recent years, it is, also, worth recalling that the three great religions of the modern world have their roots in this ancient and austere soil.

From this paradox, we can take hope. And I intend to bend every effort to ensure that those who died in this tragedy can claim as their ultimate legacy the mantle of peacemaker over this troubled and vital land.

. . . . . .

Q. Mr. President, do you welcome Jesse Jackson'[48] trip to Syria to try and win the release of Lieutenant Goodman?

THE PRESIDENT. Well, I would like to have some better understanding of what is contemplated there, because, sometimes, efforts of this kind can be counterproductive.

We are doing everything we can, and working as completely as we can, diplomatically, to bring about his release. And it's possible that, sometimes, someone with the best of intentions could change the balance unfavorably.

. . . . . .

J. Libya

Document 396

Letter From the Permanent Representative of the Libyan Arab Jamahiriya (Treiki) to the President of the U.N. Security Council, February 19, 1983[1]

Libyan Complaint Before the Security Council

Upon instruction from my country, I have the honour to request Your Excellency to call an urgent meeting of the Security Council to consider the deteriorating situation near the Libyan shores that could jeopardize the security and peace of the region and the world.

This situation which rose from the provocative military actions of the United

[48] Reverend Jesse Jackson was one of the candidates seeking the Presidential nomination of the Democratic Party.

[1] Source: U.N. document S/15615 (1983).

States Administration by moving its aircraft-carrier *Nimitz* with some naval vessels close to the Libyan coast and sending 4 AWACS aircraft to one of the neighbouring countries of Libyan Arab Jamahiriya which spy and work against Libya.

DR. ALI A. TREIKI

Document 397

Interview With the Secretary of State (Shultz), February 20, 1983 (Extract) [2]

Libya's Threat to Its Neighbors

. . . . . .

MR. DONALDSON. Mr. Secretary, it's reported that the President has ordered the return of the four AWACS planes sent to Egypt. Can you tell us about that, and what is the threat at the moment from Libya toward the Sudan? [3]

SECRETARY SHULTZ. Well, as far as we know, the threat that was clearly present has receded. I don't want to go into all of the ins and outs of it, but I think the net of the whole thing is, as your broadcast brought out, that the President of the United States acted quickly and decisively and effectively, and at least for the moment, Khadaffi is back in his box where he belongs.

MR. DONALDSON. For the moment. What are the plans for the future? What can be done to keep Khadaffi in that box and to keep him from trying to break out again?

SECRETARY SHULTZ. Well, of course, there is a long history of reprehensible behavior on the part of Khadaffi. Perhaps you remember the murders in the Munich Olympics and who harbored and gave asylum to those who conducted the murders, and this is just one among a great many things that he has done, both in terms of destabilizing his neighbors and in various other ways.

So I expect that he will continue to cause trouble, and our approach, I think, is to let him see that his options are limited and we know what's going on and to conduct ourselves accordingly.

MR. DONALDSON. Well, you say his options are limited. Is one of the lessons the President wants out this week that Khadaffi will not be allowed to cause trouble? Are you really serving notice to Khadaffi in Libya that he's not to try to destabilize his neighbors?

SECRETARY SHULTZ. Well, we certainly oppose these destabilization efforts, have consistently over a period of several administrations, and will continue to do so. I think that it's apparent that Khadaffi's actions are not at all appreciated by his neighbors. After all, it's interesting that the OAU meeting under his leadership never took place. Why? Not because of us, but because of the attitude of his neighbors toward him and his behavior.

MR. BRINKLEY. Mr. Secretary, your Assistant Secretary for African Affairs has an essay or an article published today in which he says Khadaffi is trying to destabilize about half the countries in North Africa. That could keep us pretty busy if we are going to try to contain him.

SECRETARY SHULTZ. Well, I think the fact of the matter is that people are pretty well onto him, and it isn't that we have to do everything; other people, too, have identified the nature of the problem he presents, and so I think that he has been pretty well contained and he'll continue to be so, and it isn't just the United States that's involved or aware.

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[2] Source: Department of State Press Release 59, February 23, 1983. Secretary Shultz was interviewed on the ABC program, "This Week With David Brinkley," by David Brinkley, George Will, Peter Jennings, Sam Donaldson, and Pierre Salinger of ABC News.

[3] For a description of events relating to Libya and the Sudan, see Ambassador Kirkpatrick's remarks, *infra*.

Document 398

Statement by the Representative at the United Nations (Kirkpatrick) Before the U.N. Security Council, February 22, 1983 [4]

U.S. Rejection of the "False and Malicious Charges" of the Libyan Government

Mr. President, I have, today, addressed the following letter to you for circulation as an official document in the Security Council:

"The Government of the United States rejects the false and malicious charges of the government of Libya and calls the attention of the Council to yet another example of a threat to international peace and security posed by the policies of the Libyan Government.

"Furious that its plans for illegal, violent action were frustrated, the Government of Libya comes now to the Security Council with lying complaints against the United States. In fact, the United States committed none of the acts charged by the Government of Libya.

"The United States dispatched no offensive aircraft into the region, violated no Libyan airspace. As a matter of fact, neither the U.S. Carrier *Nimitz* nor its aircraft entered waters or airspace claimed by Libya on the days in question, although we have every right to enter these international waters, recognized as such under international law. We also have every right to conduct, under appropriate circumstances, training exercises with friendly governments.

"The United States affirms its rights under international law and the Charter of the United Nations and intends to exercise them.

"Naturally, the Government of Libya would prefer that no obstacles—however legal—be interposed to its plots and expansionist projects. But peace-loving nations cannot accommodate Libya's designs on its neighbors.

"In calling attention to Libya's false charges, the United States notes that such lies mock the serious work of building international peace, just as Libya's repeated efforts to interfere in the affairs of its neighbors destroys security in the region."

Mr. President, the United States did not seek this confrontation in the U.N. Security Council with the Government of Libya, but we welcome the opportunity thus presented to put *facts* on the record (not the fabrications of Colonel Qadhafi's spokesman) and to assign *responsibility* for this grave threat to international peace and security where that responsibility belongs.

I speak, of course, of the Government of Qadhafi's Libya. And I wish to put this threat, which seems for the moment to have receded, in the context of Libyan-sponsored worldwide terrorism and adventurism directed against its neighbors—indeed, throughout northern, eastern, and central Africa. This pattern of lawless expansionism constitutes a continuing threat to the peace and security in the region and beyond.

My government and the American people have never sought, and do not now seek any confrontation with the government or people of Libya. We have never engaged, and do not now engage in any acts of provocation. But we are deeply sensitive to threats to international peace, to our own security, and to the security and national independence of Libya's neighbors. And let there be no doubt: we will respond as appropriate to Libyan threats.

Briefly, I wish to recall the salient events that led to this situation.

Last Friday, February 18, official Sudanese radio announced the discovery of a Libyan-backed coup plot against the government of President Jaaffir Nimeiri. It announced the apprehension of Libyan-sponsored dissidents and infiltrators. It also reported that the Government of Sudan had been closely watching concentrations of Libyan bombers and fighters in southeast Libya close to the Sudanese and Egyptian borders.

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[4] Source: U.S. Mission to the United Nations Press Release 13-(82), February 22, 1983. The Security Council met on February 22 and 23, 1983, to consider the Libyan complaint, but took no action on it.

This concentration of Libyan aircraft had been of particular concern to the Sudanese. In view of the successful steps which the Sudan has now taken to deal with this latest Libyan effort to destabilize one of its neighbors, we are now able to put the spotlight of world attention on events in the region.

We follow Qadhafi's irresponsible incursions into the affairs of his neighbors closely and with deep concern. We have been aware for some time of his efforts directed against President Nimeiri. We were also aware of the concentrations of Libyan aircraft which were of concern to the Sudanese and Egyptians. Because of the situation, we moved up the date of an AWACS training exercise which had already been scheduled about a month hence, and sent our AWACS and tanker aircraft into Egypt. We have also had U.S. naval forces deployed in the eastern Mediterranean. Their presence in international waters sometimes seems to have a deterring effect on Libyan adventurism in the region.

The desired result seems to have been achieved at least for the present. The statement on Sudanese radio, and yesterday's statement by the Sudanese Assembly, speak for themselves. We can be reassured by the bold and decisive manner in which the Sudanese dealt with the threat of Libyan expansionism.

Fortunately, Mr. President, the most recent threat has receded. But the pattern of Libyan misconduct is longstanding.

Colonel Qadhafi conducts a virulent, hostile foreign policy which respects the territorial integrity, national independence, right to peace and security and self-determination of no one. Because of a relative lack of conventional military power, Colonel Qadhafi has tried to accomplish his goals through a combination of economic and military aid to radical governments; bribery of officials; help to international terrorists by providing sanctuary, funds, weapons, planning; assassination of exiled opponents, and planned assassination of target-government officials; and assistance to guerrilla groups working to overthrow established governments.

The Qadhafi regime has been engaged in these activities almost since it took power. For example, in 1972, Libya provided sanctuary to the perpetrators of the Munich Olympics murders. Qadhafi also gave refuge to the terrorists who held hostages at the 1975 Vienna OPEC meeting. Libya has been used as a "safe" area in which terrorist groups have planned acts to be committed in many of Europe's capitals. The infamous "Carlos" has operated out of Libya over several years. The weapons found on the French terrorists Breguet and Kopp had been sold to the Libyan Army. It was their release which Carlos demanded.

Assassination has been an important Libyan tool, and the proof of Libya's utilization of this tool is not hard to come by. The 1980–81 murders of a dozen exiled Libyans, primarily in Western European capitals, have been reported by the international press in detail. Less widely known are a 1975 plot to murder the Prime Minister of a neighboring country; plans to kill American Ambassadors in several Middle Eastern countries and at least one European capital; and a November 1981 attempt to plant explosives in the American Embassy Club in Khartoum, which explosives were concealed in stereo speakers designed to detonate on a Saturday evening when scores of people would have been present and killed.

A major facet of Libyan foreign policy has been and remains subversion and destabilization of independent governments in the Middle East, Africa and elsewhere. Chad has been a recent principal victim of the aggressive policy of Libya. Currently, Libyan intentions toward Chad are a major concern. Colonel Qadhafi has brought large numbers of Chadian followers to Libya, trained and equipped them and is moving them into the northern parts of Chad. Other efforts to increase its own strength in that area are underway. Most disturbing was the mid-January deployment of a dozen Libyan SU–22 ground-attack fighters to the Aouzou Airbase in northern Chad, apparently in preparation of a Libyan option to provide air cover to an assault by dissidents and infiltrators against the Chadian Government and Chadian-held population centers. A Libyan team of approximately 80 "advisers" in another African republic may be assisting anti-government Chadians there. Libya has a long record of training guerrillas, supplying weapons, plotting subversion and destabilization of its North African neighbors.

In the Horn of Africa, Libya continues to try to overthrow the governments of

Sudan and Somalia. A number of Libyans are in Ethiopia advising Somali and Sudanese guerrillas. Libyan aircraft and ships continue to train guerrillas and to supply arms, ammunition, explosives and matériel to the Somali Salvation Front and to Sudanese rebels. Also, Libya's deliveries of increasingly advanced weapons to warring tribes in the Sudan have contributed to death and violence in that region.

Elsewhere, Libya delivers military equipment and is involving itself increasingly, for example, in this hemisphere, always on behalf of military dictatorships, always opposed to democratic regimes and movements.

Mr. President, that is the pattern of Libyan misconduct, worldwide. It constitutes, as I have said, a grave threat to international peace and security. The culprit in this proceeding is identified beyond any reasonable doubt or question.

Mr. President, what has happened to Libya may happen to other states, the representative of Libya has suggested. I should like to say that we hope so. We hope that what happened to Libya will happen to other states. We hope that all states with aggressive designs on their neighbors will be discouraged by the lawful response of others and thus to desist in their unlawful plans. My government rests its case on the factual record—and its adherence to the principles of the U.N. Charter, in the cause of international peace and security.

Thank you.

Document 399

Prepared Statement by the Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs (Schneider) Before a Subcommittee of the House Appropriations Committee, April 28, 1983 (Extract) [5]

U.S. Policy Toward Libya

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Libya. Thus far in this statement, I have discussed our ties to Morocco, Algeria, and Tunisia. But there is another player on the North African Littoral—Qadhafi's Libya—to which I shall now briefly turn.

Our relations with Libya are poor. We regret this and look forward to the day of their improvement, which we desire. Our differences with Libya are not primarily bilateral. They result from Tripoli's actions in support of international lawlessness, terrorism, and subversion. The Brazilian intercept of a Libyan arms shipment to Central America is the most current example. The steps we have taken bilaterally regarding Libya—for example, export controls, prohibition against importing Libyan crude oil into the United States and passport invalidation—are fundamentally defensive. They are the direct result of Qadhafi's misuse for subversive ends of the money he earned here with Libyan oil and of the threat Libyan policies pose to the safety of U.S. citizens in Libya.

The United States has strong interests in a stable, viable international system. It is these interests which Libya's policies attack on all fronts. I shall not take the time of this committee to recite yet again the long list of Libyan misdeeds with which you are only too familiar. I do want to affirm, however, that beyond the latest example already cited, Qadhafi's aborted attempt in February to overthrow the Government of Sudan was very real and that this administration is proud to have been able to make a timely and effective contribution to Sudan's defense.

Unfortunately, these destructive Libyan policies have not changed. They contribute notably to the problems of North Africa, the Sahel, the Horn of Africa, and beyond. The day Tripoli abandons them and rejoins the international system, we shall be found ready to improve relations with it.

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[5] Source: *Foreign Assistance and Related Programs Appropriations for 1984: Hearings Before a Subcommittee of the Committee on Appropriations, House of Representatives, Ninety-eighth Congress, First Session,* (Washington, 1983), Part 4, pp. 411-412. Schneider prepared his statement for the Subcommittee on Foreign Operations and Related Agencies. For the remainder of Schneider's statement, dealing with U.S. policy toward Algeria, Morocco, and Tunisia, see document 297.

Document 400

Proclamation by President Reagan, December 22, 1983 [6]

Imports of Petroleum and Petroleum Products

The Secretary of Energy has advised me that no purpose is currently served by the existing system of licensing of imports of petroleum and petroleum products. The Secretary of Energy also recommends that I retain the current prohibition on imports of Libyan crude oil into the United States, its territories and possessions, which was adopted in Proclamation No. 4907, [7] on the ground that such imports would be inimical to the United States national security. The Secretary further recommends that he continue to monitor imports of petroleum and petroleum products in order to be able to advise me as to the need for further action, as appropriate, under Section 232 of the Trade Expansion Act of 1962, as amended. [8]

I agree with the recommendations of the Secretary of Energy.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, by the authority vested in me by the Constitution and laws of the United States, including Section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862), do hereby proclaim that:

Section 1. Proclamation No. 3279, [9] as amended, is revoked.

Sec. 2. The Secretary of Energy shall continue to monitor imports of petroleum and petroleum products and shall, from time to time, in consultation with the Secretary of State, the Secretary of Commerce, and such other federal agencies as he deems appropriate, review the status of such imports with respect to the national security. The Secretary shall inform the President of any circumstances which in his opinion might indicate the need for further action by the President under Section 232 of the Trade Expansion Act.

Sec. 3. (a). No crude oil produced in Libya may be imported into the United States, its territories or possessions.

(b) The Secretary of the Treasury may issue such regulations and interpretations as he deems necessary to implement this section.

Sec. 4. The Secretary of Energy may continue to consider requests for refund of fees paid under Proclamation No. 3279, as amended, if such requests were filed with the Secretary prior to the effective date of this Proclamation. Any such requests shall be considered in accordance with the previously applicable provisions of Proclamation No. 3279, as amended, and implementing regulations thereunder.

Sec. 5. The revocation of Proclamation No. 3279, as amended, shall not affect the authority of any federal department or agency to institute and conduct any administrative, civil or criminal audit, investigation or proceeding based on any act committed or liability incurred while that Proclamation was in effect.

Sec. 6. The revocation of Proclamation No. 3279, as amended, shall not affect the presently applicable tariff rates for imports of petroleum and petroleum products, as reflected in the Tariff Schedules of the United States, Schedule 4, part 10.

Sec. 7. This Proclamation shall be effective immediately.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-second day of December, in the year of our Lord nineteen hundred and eighty-three, and of the Independence of the United States of America the two hundred and eighth.

RONALD REAGAN

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[6] Source: White House Press Release, December 22, 1983, Office of the Press Secretary to the President: printed also in *Weekly Compilation of Presidential Documents*, December 26, 1983, pp. 1732–1733.

[7] For text, see *ibid.*, March 15, 1982, p. 280.

[8] This section of the Trade Expansion Act of 1962 was amended by the Trade Act of 1974, P.L. 93-618, approved January 3, 1975. For text of this amended section, see 88 Stat. 1993.

[9] 73 Stat. C25.

READEX FICHE

Chapter 12. South Asia

A. Regional Policies and Developments

Document 401

Prepared Statement by the Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs (Schaffer) Before a Subcommittee of the House Appropriations Committee, April 27, 1983 [1]

Foreign Assistance Request for South Asian Countries in Fiscal Year 1984 and Supplemental Request for Pakistan in Fiscal Year 1983

I am pleased to have the opportunity to appear before the Committee to explain the administration's proposed foreign assistance program for South Asian countries in FY 1984 and the request for supplemental assistance for Pakistan in FY 1983.

U.S. economic and security assistance to these countries serves several broad and interrelated purposes. They revolve around a core of fostering orderly progress in the region. Our development assistance has helped sustain and enhance the relatively high level of political stability in South Asia, stability which is dependent on and conducive to continued economic growth. Our assistance to Pakistan reflects its position as a frontline state resisting Soviet expansionism which threatens the entire region.

Let me now turn individually to the countries of South Asia:

Pakistan. A strong and secure Pakistan is a key element in our policy of promoting peace and stability in the Southwest Asia/South Asia region. A stable Pakistan, one of the world's largest Islamic states, can serve as an anchor to this strategically vital area. Pakistan has been crucial to efforts to prevent the Soviets from consolidating their position in Afghanistan and to bring about their eventual withdrawal. Our assistance programs there, which both bolster Pakistan's economic development and security and symbolize firm U.S. support for the country, have been vital in making it possible for Pakistan to adopt and maintain its courageous posture on Afghanistan despite Moscow's pressure.

Our assistance program is also designed to meet additional goals in our relationship with Pakistan. We believe that a program of support which enhances Pakistan's sense of security may help remove the principal underlying incentive for the acquisition of a nuclear weapons capability. In addition, our program of economic assistance also supports the Pakistan Government's efforts to suppress opium poppy production and contributes to the economic development and political stability of the country.

The Reagan administration, like the Carter administration before it, has specifically reaffirmed the continued applicability of the 1959 Agreement of Cooperation between the United States and Pakistan [2] to underline our commitment to support Pakistan's security and territorial integrity. The 1959 Agreement commits the United States to take "such appropriate action" as may be mutually agreed upon with Pakistan in the event of communist aggression. Our commitment is given both real and symbolic shape through our 6-year program of security and economic assistance and through our willingness to contribute to Pakistan's military modernization program.

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[1] Source: *Foreign Assistance and Related Programs Appropriations for 1984: Hearings Before a Subcommittee of the Committee on Appropriations, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), Part 4, pp. 199–210. Schaffer prepared this statement for the Subcommittee on Foreign Operations and Related Agencies.

[2] For text of the Agreement of Cooperation between the United States and Pakistan, signed at Ankara, March 5, 1959, see 10 UST 317.

On the economic side, Pakistan's need for quick disbursing balance of payments and project aid is being met through our ESF program. In project assistance, the emphasis is on health care and family planning, agriculture and rural development, and narcotics control. Emphasis has also been placed on locating development projects in Pakistan's two most underdeveloped provinces, the Northwest Frontier Province and Baluchistan. Our projects for the most part span the life of the 6-year agreement. [3] For FY 1984 we are proposing for Pakistan $225 million in Economic Support Funds, $300 million in FMS, $57.4 million in PL 480, and $800,000 in IMET.

As you know, the administration was unable to provide the targeted level of FMS guaranteed loan assistance to Pakistan out of the second Continuing Resolution for FY 1983. [4] For that reason, we have requested an additional $75 million in FMS loan guarantees in our supplemental request. We believe that it is important that we make every effort to provide assistance at the agreed upon levels for two reasons.

First, on the basis of our 1981 understanding, the Pakistanis have undertaken obligations to U.S. defense contractors which, in FY 1983 alone, are in excess of $550 million. Second, a significant shortfall at such an early stage of our program would make more difficult our effort to build a credible relationship with the Government of Pakistan, a relationship we require if we are to accomplish our overall strategic objectives.

We recognize that the military modernization program being undertaken by Pakistan will improve the capability of Pakistani forces to meet perceived threats from all directions. Given the lingering suspicions on both sides of Pakistan's border with India, some feared that the modernization program could exacerbate tensions between the two countries and damage our own relations with India, notwithstanding our assessment that our assistance to Pakistan will not change to any significant degree the military balance between it and India. We have been gratified, therefore, that both Pakistan and India have been actively seeking to improve their bilateral relationship, and that Indo-U.S. ties have also become stronger over the past year.

India. During the past 2 years, the Indian leadership has begun to turn toward a more open, liberalized, and private sector orientation for the economy. Capitalizing on its sound credit rating, India has begun to borrow significantly on the commercial markets. With the assistance of a $5.7 billion IMF program, the Government is undertaking structural adjustment to improve its balance of payments situation, adjustment that includes more liberal import policies.

The administration attaches great importance to maintaining constructive relations with India and has sought ways to expand its dialogue with India and to work together more closely. Along with U.S. contributions to the World Bank, our aid program helps demonstrate our commitment to India's development. But foreign assistance comprises only one aspect of the multifaceted reflection of U.S. interests in India. Our trade relationship, for example, is of increasing significance to both countries. In response to a more attractive business climate in India and India's desire for industrial technology which we can provide, the administration and the Government of India are encouraging U.S. firms to take advantage of business opportunities there. The recent OPIC Mission to India has already resulted in plans for a dozen new joint ventures. [5]

Our proposed program for India in FY 1984 of $86 million in Development Assistance, $123 million in PL 480 Title II and $200,000 in IMET will continue to concentrate on agriculture, particularly irrigation, and nutrition. Perhaps the greatest achievement of our assistance program has been in the agriculture sector, which provides a livelihood for the vast majority of Indians and accounts for 40% of GNP. The United States in the mid-1960s helped India bring about its Green Revolution, which remarkably has resulted in near self-sufficiency in foodgrains today. As was demonstrated again last year when

[3] For text of the joint statement issued by the United States and Pakistan at Islamabad, June 15, 1981, announcing the 6-year assistance program for Pakistan, see *American Foreign Policy: Current Documents, 1981*, pp. 865–866.

[4] Reference is to P.L. 97-377, approved December 21, 1982; for text, see 96 Stat. 1830.

[5] OPIC President Craig A. Nalen led a delegation of 31 executives from 28 U.S. companies to India in late February 1983.

in the face of a bad monsoon India purchased commercially four million tons of U.S. wheat to replenish stocks, the food balance depends precariously on the vagaries of weather. By helping to expand and improve the irrigation system, we contribute to India's abiljty to produce enough food for its population, which continues to grow at a disappointingly high rate.

Bangladesh. Constituting approximately 10% of total foreign assistance to Bangladesh, U.S. bilateral aid continues to act as a catalyst in attracting foreign assistance from other donors. U.S. food and development assistance to Bangladesh has from the outset been designed to benefit a wide spectrum of the population. U.S. support of the Bangladesh Government's development strategy in such fields as family planning, agriculture, and rural development, is broad-based and aims at helping the rural poor who comprise the vast majority of the population. The people and Government of Bangladesh have by necessity placed great value on continued food and development assistance from the United States and other countries. Given the sheer magnitude of its needs and the ever-present population pressures upon its limited resources, one can only conclude that Bangladesh will not be able to dispense with foreign assistance within the foreseeable future.

Bangladesh has achieved a dramatic 43% increase in foodgrain production over the past decade and has established a viable foodgrain security system. On the other hand, one must note with disappointment that this often-ignored increase in foodgrain production has been offset by continued population growth.

U.S. and other donor assistance has encouraged Bangladesh's gradual transition from the statist economic philosophy which characterized the first five years of independence after 1971 to the present mixed economy approach which actively promotes expanded private sector participation in the development process. Gradually changing over the past decade from humanitarian relief to development assistance, U.S. economic aid to Bangladesh constitutes the major means by which we can further our two primary interests in that country: Economic development and political stability. Our proposed program for FY 1984 of $77 million in Development Assistance and $93 million in PL 480 is focussed on four major objectives: Encouraging family planning, increasing foodgrain production, generating rural employment, and augmenting the productivity of energy resources. In addition, the proposed $225,000 IMET program will both provide needed military skills and expose Bangladeshi officers to Western social and political values.

Sri Lanka. Since 1977, under the leadership of President Jayewardene, Sri Lanka has sought to use the dynamism of the private sector to accelerate economic development after years of virtual economic stagnation. We have applauded the Government's political courage in seeking to meet economic goals through market-oriented economic policies. These include: removing government controls, stimulating the private sector, providing production and investment incentives, reducing consumer subsidies, and encouraging foreign investment. With these policies and despite the world recession, deteriorating terms of trade, and the shock of higher oil prices, Sri Lanka has in recent years maintained an impressive rate of economic growth, has reduced unemployment, and has increased economic opportunity for its citizens. The reelection of President Jayewardene in October is widely interpreted as popular endorsement of his pragmatic, growth-oriented policies.

In the past 6 years the Sri Lankan Government has taken bold measures to reduce the welfare aspects of the country's economy, a politically difficult policy. To sustain support despite these measures and maintain popular backing for its market approach, it has had to demonstrate an ability to step up economic growth. Foreign aid makes a vital contribution to its ability to do this. It helps make possible the expansion of the economy, generation of employment, and opening of new lands for resettlement and development. Additionally, development projects undertaken with foreign assistance encourage the growth of private industry—e.g., construction—and demand for goods and services.

For FY 1984 we are proposing for Sri Lanka $40.3 million in Development Assistance, $31 million in PL 480, and $150.000 in IMET. Our assistance promotes our foreign policy objectives by creating an environment favorable to constructive and moderate policies, both foreign and domestic.

Nepal. U.S. economic assistance helps foster the development essential to preservation of Nepal's historic role as a stable independent state between India and China. During the more than 30 years of aid to Nepal, the U.S. focus has shifted from development of an elementary transportation infrastructure and education system to the current three core projects in resource conservation and utilization, integrated rural development and family planning/rural health care. These reflect shifts in the Government of Nepal's priorities, as well as successful completion of earlier projects.

For FY 1984 we are proposing for Nepal $13.5 million in Development Assistance, $1.5 million in PL 480 Title II for the World Food Program, and $95,000 in IMET. In addition, we are proposing a Special Foreign Currency appropriation of $1.1 million equivalent in excess Indian rupees for training and institutional development. These have been major emphases of U.S. programs and are now paying important dividends as the Government of Nepal plans and implements its development program. Nepal, however, is faced by continuing and severe constraints. The most notable are the destruction of forests and consequent ecological degradation, high population growth levels, and disappointing results to date from efforts to achieve real increases in agriculture.

In conclusion, I believe that we can take satisfaction from the achievements of the nations of South Asia and in the contribution our assistance has made in helping them tackle the enormous challenges they face. In this regard, these nations deserve our continuing support.

Document 402

Statement by the U.S. Representative (Adamson) in the U.N. General Assembly Ad Hoc Committee on the Indian Ocean, July 22, 1983 (Extract) [6]

The Indian Ocean As a Zone of Peace

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My remarks today will be divided into essentially three parts. First, I should like to comment on document A/AC.159/L.51 placed before the committee by the distinguished representative of the Soviet Union. Second, I should like to address a subject that once again has figured prominently in our deliberations, namely the question of an Indian Ocean conference. Third, I should like to make some final observations on our work during this session and our work in the future.

The U.S. delegation has noted with interest document A/AC.159/L.51 introduced by the distinguished representative of the Soviet Union during our meetings this year and containing a three paragraph excerpt from Soviet Foreign Minister Gromyko's address to the UNGA last fall. [7] We should like carefully to examine the Soviet statement, for it says much about the Soviet Union's approach to this committee's work. In doing so we are motivated in part as well by your suggestion, Mr. Chairman, [8] that delegations address doc-

[6] Source: U.S. Mission to the United Nations Press Release USUN 59-(83), July 26, 1983. Adamson's statement was made before the *Ad Hoc* Committee on the Indian Ocean, established by U.N. General Assembly Resolution 2992 (XXVII) of December 15, 1972. As of July 1983 it consisted of 47 members (including the United States).

[7] U.N. document A/AC.159/L.51, February 1, 1983, contained three paragraphs on military activities in the Indian Ocean from the address by Soviet Foreign Minister Andrei A. Gromyko before the U.N. General Assembly on October 1, 1982, which Soviet Representative Lev I. Mendelevich submitted to the *Ad Hoc* Committee on the Indian Ocean on January 31, 1983. The full text of Gromyko's address is in U.N. document A/37/PV.13.

[8] Ignatius B. Fonseka, Permanent Representative of Sri Lanka to the United Nations.

uments other than those they themselves are associated with. Our comments will, we hope, also contribute to the eventual harmonization of views on fundamental issues related to a zone of peace that is so clearly required if this committee is to advance.

Turning now to document L.51, I should point out, first, that the excerpt says that the U.S.S.R. "can well understand the legitimate concern of the *coastal* states of the Indian Ocean over the expansion of the U.S. military presence there (emphasis added)." The word "coastal" would seem to exclude the hinterland states of the Indian Ocean, and for good reason from the Soviet point of view. The U.S.S.R. no doubt avoided reference to the hinterland because it would call attention to the Soviet military occupation of Afghanistan, recognized in the documentation of the committee as a hinterland state of the region. This selective use of the word "coastal" by the Soviet Union is thus employed to obscure the fact that the demonstrated threat to the security of the region comes from the Soviet Union, notably from its land-based forces.

Now, as regards the alleged expansion of U.S. military presence, I would state the obvious. All U.S. military activities in the region are fully consistent with the principles and purposes of the U.N. Charter, in particular article 51.[9] There is a clear distinction between naval forces deployed in conformity with normal international practices and land-based forces occupying a hinterland state of the Indian Ocean in violation of the most basic tenets of international behavior. I would add that changing international circumstances—notably the remarkable increase in Soviet expansionist activities in the region—were the primary factors which eventually forced the United States, however reluctantly, to assume a greater military role in the Indian Ocean area. It was these same Soviet activities that undermined the Soviet-American bilaterals of 1977–78,[10] which commenced at U.S. initiative.[11] We have made no secret of our naval deployments to the area, nor have we sought to conceal the fact that our relationships with many states have been deepened and strengthened in reaction to the increase in Soviet expansionist tendencies. To be more specific, I should note as we have before, that United States military personnel in the littoral and hinterland states of the region as defined in GA Resolution 33/68[12] in all capacities—peacekeeping contingents in the multilateral force and observers organization, all personnal at Diego Garcia, U.S. Marines providing security to our embassies in the region, U.S. defense attachés attached to our embassies, and military personnel assigned to administer security assistance programs with countries of the region—represent a minuscule fraction of less than 4% of the 135,000 Soviet troops currently committed to Afghanistan *alone*. It is obvious that none of these U.S. personnel are combat personnel.

Second, the Soviet statement accuses the United States of "thwarting the implementation of U.N. resolutions" on the matter of turning the Indian Ocean into a zone of peace. We have heard similar charges and innuendo from the Soviet delegation during this session. In this connection, I note the remarks of Vice President Bush when he addressed the Committee on Disarmament in Geneva on February 4, remarks which apply aptly to the attitude governing United States participation in the work of the *Ad Hoc* Committee on the Indian Ocean. He said that "the United States will do all that it can to create a foundation for enduring world

[9] Article 51 of the U.N. Charter reads as follows: "Nothing in the present Charter shall impair the inherent right of individual or collective self-defense if an armed attack occurs against a Member of the United Nations, until the Security Council has taken the measures necessary to maintain international peace and security. Measures taken by Members in the exercise of this right of self-defense shall be immediately reported to the Security Council and shall not in any way affect the authority and responsibility of the Security Council under the present Charter to take at any time such action as it deems necessary in order to maintain or restore international peace and security." (3 Bevans 1165)

[10] Soviet-U.S. talks on limiting their forces in the Indian Ocean adjourned in Bern on February 17, 1978, following a sharp increase in the Soviet naval presence in the Indian Ocean and Soviet-Cuban actions in the Horn of Africa.

[11] President Jimmy Carter announced the U.S. initiative for an agreement with the Soviet Union on mutual military restraint in the Indian Ocean in his address to the U.N. General Assembly on March 17, 1977; see *American Foreign Policy: Basic Documents, 1977–1980* (Washington, 1983), p. 4.

[12] For text of U.N. General Assembly Resolution 36/68 of December 14, 1978, see U.N. General Assembly, *Official Records: Thirty-third Session, Supplement No. 45* (A/33/45), pp. 45–46.

peace . . . but we will not hesitate, nor should we, to differ with approaches that are not sound . . . ." [13] Mr. Chairman, we have made known on a number of occasions, and will do so again today, our serious reservations about attending a conference to implement a zone of peace regime which is based on a faulty and obsolete concept—and at a time when Soviet forces continue to occupy Afghanistan in violation of international law and the most basic norms of international behavior. Far from thwarting the aims of the Committee, Mr. Chairman, the United States continues its participation in the work of the *Ad Hoc* Committee in a spirit of contributing to the creation of a viable zone of peace in the regime [*region*].

Moreover, Mr. Chairman, I would like to recall that when voted upon in 1971, Resolution 2832 was supported by only 53 percent of the membership of the General Assembly, by a vote of 61 for, 0 against, and 55 abstentions. [14] Undeniably that vote reflected, and the debate record shows, that many nations had serious reservations about that resolution. The record of the United Nations relating to votes over the last three years on resolutions pertaining to the Soviet invasion and occupation of Afghanistan shows a much broader pattern of support among member states. The voting margins have remained consistently huge; last November 29 the vote on Resolution 37/37 was 114–21–14. [15] Yet it is none other then the Soviet Union itself which is thwarting the implementation of those resolutions.

Third, Mr. Chairman, in the first sentence of the third paragraph of the excerpt, the Soviet Foreign Minister calls "upon all states whose ships use the waters of the Indian Ocean to refrain from any steps that could complicate the situation in that region . . . ." Again, Mr. Chairman, and for good reason from the Soviet point of view, there is not a mention of calling upon those states who maintain large land-based military forces in the region to refrain from activities that would complicate the situation. About what situation are the Soviets so concerned to prevent complication, Mr. Chairman? Why, surely, it is the ability of the Soviet Union to project its military power into the region that Moscow does not want to see "complicated" in any way. For if we return to the world of reality rather than the picture of the world that the Soviet representative in this committee paints, we know that above all else, it is the projection of Soviet power into the area and notably the Soviet invasion and occupation of Afghanistan that has "complicated the situation" in the region, and, indeed, in the world.

Fourth, again in the third paragraph, the Soviet Foreign Minister calls upon states whose ships use the Indian Ocean to limit naval formations and not to hold military exercises there. Here again we see a Soviet emphasis on the high seas rather than land areas, in complete contradiction to the fact that the demonstrated threat to the region comes from the north, not the south, and from the land, not the sea. How self-serving, Mr. Chairman, for the Soviet Union to call for an end to military exercises in the Indian Ocean by stating that they would "complicate the situation." I might note in passing that this Soviet emphasis on the high seas rather than on land areas, in particular the hinterland, also suggests—contrary to the Soviet representative's contention yesterday—that there is still no consensus among us on the geographic scope of a zone of peace. [16]

The military exercises of the United States in the Indian Ocean region are limited in scope and are accomplished in full accord with international law and accepted norms of international behavior. Far from being designed to intimidate any littoral or hinterland state, the exercises are limited joint training exercises fully agreed to by the states participating. The only "situation" these exercises could conceivably "complicate", Mr. Chairman, are Soviet intentions to expand their military activities in the region unopposed.

Mr. Chairman, the Soviet call for limits on maneuvers in the region is coupled

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[13] See document 33. All ellipses are in the source text.

[14] The United States abstained in the vote on U.N. General Assembly Resolution 2832 (XXVI) of December 16, 1971; for text, see U.N. General Assembly, *Official Records: Twenty-sixth Session, Supplement No. 29* (A/8429), pp. 36–37.

[15] The United States voted for U.N. General Assembly Resolution 37/37 of November 29, 1982; text *ibid.: Thirty-seventh Session, Supplement No. 51* (A/37/51), pp. 25–26.

[16] The Soviet Representative apparently spoke at an informal meeting of the *Ad Hoc* Committee on the Indian Ocean; there is no public record of a meeting on that date.

with a call for limits on the modernization of military facilities in the area. These are cynical devices which would allow the U.S.S.R. to make cosmetic concessions while limiting the capability of regional states for self-defense and preventing other states from maintaining a defensive military presence in the area—a presence that is imperative in light of the substantial and increasing Soviet land-based forces in close proximity to the Indian Ocean. We believe that the situation in the region will be improved not by such one-sided proposals but by agreement to conduct military activity only in conformity with international law and practice, respecting the sovereignty of regional states. This implies first and foremost a Soviet withdrawal of its troops from Afghanistan.

It is clear, then, after examination of the Soviet text that it is carefully worded to divert the attention of the committee from Soviet activities in the Indian Ocean region; the same could be said of Soviet statements during the present session.

Mr. Chairman, I should now like to turn in greater detail to the views of my delegation on the advisability of convening a conference on the Indian Ocean in 1984.

The United States is deeply concerned that various conflicts in the Indian Ocean region have prevented the people of the region from fulfilling their profound desire for peace, security, and an environment in which they can pursue the most important things in life. We understand the view of some delegations in this committee that because the security situation in the Indian Ocean area is unsettled due to the situation in Afghanistan and other longstanding and unresolved conflicts in the region, a conference must be urgently convened to deal with the situation. For our part, we share the urgent desire of these delegations to find some way to resolve these particular conflicts promptly, and we are prepared to take all possible, constructive steps to that end. But we firmly believe that it is unrealistic to hope at this stage in our deliberations that an Indian Ocean conference, or a series of such conferences, could succeed in resolving the regional conflicts cited above, or in reaching general agreement on a zone of peace in the region.

By way of summing up on this point, I should note that Resolution 37/96 rightly underscores the necessity of work—in this committee, which is the appropriate forum—"on the necessary harmonization of views on the relevant issues" as a prelude to a conference.[17] It also emphasizes that the political and security climate in the Indian Ocean area bears importantly on the question of the early convening of the conference, and that the easing of tension in the area would enhance the prospect of success being achieved by the conference. These desiderata of the resolution simply indicate what would be required objectively, for a successful conference. And once these desiderata were met, the organizational and procedural preparations for a conference no doubt could be accomplished with dispatch. At the present stage, however, such preparations are plainly premature.

I should like to add a word here about the nature of this committee. I will be addressing themes already trenchantly developed today by several nonaligned delegations. Over the past year—indeed over the past several years—we have heard charges about "vicious circles" and "killing the committee." But as my remarks today and previously have I trust suggested, we believe the Committee has potentially important work to do. I will be elaborating on that in a moment. But allow me to say now that if the committee has at times been reduced to a vicious circle, if at times it has appeared dead, the blame for this attaches to none other than those who at every turn resist having the committee do serious substantive work in developing a commonly acceptable zone of peace concept. Whenever the committee has been on the verge of making headway in this direction, these delegations have thrown down obstacles in the committee's path. They have sought to turn the committee into a backwater that will focus on tangential matters; they have said that the committee itself is ill-equipped to negotiate a commonly acceptable zone of peace regime. We therefore believe that these delegations would do well to look in the mirror before leveling the charges I have alluded to. But we are nonetheless not without optimism. We take heart for example from the statement this afternoon by the distinguished representative of Pakistan, and I should like to thank him

[17] For text of U.N. General Assembly Resolution 37/96 of December 13, 1982, see U.N. General Assembly, *Official Records: Thirty-seventh Session, Supplement No. 51* (A/37/51), pp. 72–73.

for the kind words he directed to me.[18] As I am about to describe, we think the committee has the possibility of productive work ahead. We cannot believe that a few delegations will forever keep us from turning to that work.

Coming now to the third part of my remarks, I should like to make some final observations on our work during this session and our work in the future. During this session, we have had some useful discussion, although the usual polemics have at times emanated from familiar quarters. Regrettably we have not been able to reach agreement on our report and notably on the recommendation to be included therein, although serious efforts have been made by delegations to make progress in these areas.

In the final analysis, we do not believe that agreement on most elements of our report should be difficult. As to the draft resolution which is to be embodied therein, I do not wish to take up the committee's time by repeating all the comments I made during our informal meeting on the afternoon of July 20.[19] However, I would like to repeat our thanks to the nonaligned delegations for having presented us with L.57[20] and to affirm again that we look forward to working with all committee members in developing a consensus resolution text as the basis for the committee's future work. I should as well like to reiterate our view that that consensus resolution should note the varied and generally useful exchange of views we have had in the committee; that it should also note the constructive efforts that have been made toward harmonizing differing approaches on fundamental issues, though much remains to be resolved; that it should request continuing efforts to achieve the necessary harmonization of views; and that it should urge that every effort be made, taking into account the foregoing and the evolution of the political and security climate, to accomplish the necessary conference preparatory work.

Success for an Indian Ocean conference, or a series of such conferences, requires that we must reach agreement on the fundamental principles which would underlie a zone of peace. In the absence of such agreement, nothing of substance could be accomplished and we all must recognize—as my comments on L.51 just suggested—that we have not reached such agreement despite efforts of delegations in this committee. No ingenious format for further conferences or conference work, would be able to conceal this basic lack of agreement. Indeed, without arriving at basic understandings in advance here in this committee, a conference would produce only further acrimony and contention at the expense of the goals of peace and security. It would be a step backward.

Moreover, it has been clear from the debate in the committee and from such documents as L.51 that some members wish to use a conference as a means of promoting solutions to regional problems which are not solutions at all and that these same members and others clearly wish to use a conference to impose security doctrines on which no agreement exists.

With respect to the utility of a conference to address and resolve regional conflicts, let us take the case of Afghanistan. It would of course be a giant step forward toward peace if a conference on the Indian Ocean could be used to bring about a withdrawal of Soviet troops which now occupy Afghanistan. Unfortunately, given the current attitude of the Soviet Union, there is no reason to believe that a conference on the Indian Ocean would achieve that goal. Frankly, in the absence of terms of reference based on the relevant UNGA resolutions the U.S.S.R. surely would use the conference as just another opportunity to pursue its own distorted version of events in Afghanistan designed to legitimize its presence there, and to distract attention from its international obligations and the condemnation it has earned from the international community.

We have said before that trust and good faith are needed to make genuine progress toward resolving security problems in the Indian Ocean region, including Afghanistan. Until the Soviet Union alters its policy in Afghanistan, there can be scarcely any trust and little prospect of

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[18] A summary report of the statement by Pakistani Alternate Representative Riaz Mohammad Khan to the *Ad Hoc* Committee on the Indian Ocean, July 22, 1983, is in U.N. document A/AC.159/SR.228, pp. 5–7.

[19] There is no public record of this informal meeting on July 20, 1983.

[20] U.N. document A/AC.159/L.57, July 18, 1983, is a draft U.N. General Assembly resolution submitted by Sri Lankan Representative Bernard A. B. Goonetilleke to the *Ad Hoc* Committee on the Indian Ocean on behalf of the nonaligned States members of the committee.

moving forward to consummate agreement on broader regional issues. To attempt to do so by holding a conference which ignores the reality of Afghanistan, would only reinforce the *status quo* there and would represent a further setback to security in the region.

In regard to the Afghanistan crisis, I should like to affirm our support for the efforts of the Secretary-General's representative [21] to find a political solution consistent with international law and the inalienable rights of the Afghan people. In that connection, as President Reagan has suggested, we ask for deeds, not just words, from the Soviet Union.

I have noted that some delegations wish to use a conference or series of conferences on the Indian Ocean as a zone of peace to promote or impose security doctrines—specifically, the great power naval doctrine reflected in elements of resolution 2832—on which fundamental disagreement exists within this committee. For obvious reasons, to which I alluded during my discussion of L.51, the Soviet Union is a fervent advocate of a conference that would implement some version of the 1971 resolution. To do so would only enhance the military position of the U.S.S.R. derived from its military presence in Afghanistan and adjacent areas in Soviet Central Asia, create a dangerous imbalance in the region, and encourage further acts of aggression. The insistence of the U.S.S.R. and some other delegations on implementation of this obsolete doctrine is another reason why the United States believes that a conference under the present circumstances would impair progress toward peace and security in the region.

I have referred several times during the course of this statement to the harmonization of views on substantive matters related to a zone of peace that is so necessary in this committee. Toward that end, my delegation joined with a number of others in cosponsoring document A/AC.159/L.44 embodying a proposal for a set of principles on the Indian Ocean as a zone of peace. [22] In that connection we note that a variety of documents before the Committee underscore the importance of developing an agreed set of principles on the Indian Ocean as a zone of peace, though of course there are deep differences as to what these principles should be. For example, document L.35 refers in part to "principles and characteristics of the Indian Ocean as a zone of peace." [23] Document L.43 refers to "discussion of the frame and contents of a declaration of principles of the zone of peace." [24] In any case, in developing a consensus set of principles naturally we recognize the utility to the committee of drawing not only on L.44 but also on ideas contained in other documents, including useful elements of resolution 2832 and of course the 1979 Littoral and Hinterland States Final Document. [25]

In furthering that process of negotiation, document A/AC.159/L.55, which emanated from the useful discussions aimed at harmonization that took place at our session in April, should have real utility. [26] In 1984, as other members of the

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[21] Diego Cordóvez, U.N. Under Secretary-General for Special Political Affairs, served as Personal Representative of U.N. Secretary-General Pérez de Cuéllar on the situation in Afghanistan.

[22] U.N. document A/AC.159/L.44, May 21, 1982, is a paper entitled "Proposal for a Set of Principles on the Indian Ocean as a Zone of Peace," submitted by Australian Representative Susan J. Boyd to the *Ad Hoc* Committee on the Indian Ocean on May 20, 1982, on behalf of Australia, Canada, the Federal Republic of Germany, Italy, Japan, the Netherlands, Norway, the United Kingdom, and the United States.

[23] U.N. document A/AC.159/L.35, March 5, 1981, is a working paper entitled "Nucleus of a Draft Agenda for the Conference on the Indian Ocean To Implement the Declaration of the Indian Ocean as a Zone of Peace," submitted by Ethiopian Representative Alemayehu Makonnen, Indian Representative Vijay Nambiar, Iraqi Representative Akram Awanis, Malagasy Representative Henri Rasolondraibe, Pakistani Representative Sajjad Ali, and Sri Lankan Representative Nihal Rodrigo, to the *Ad Hoc* Committee on the Indian Ocean.

[24] U.N. document A/AC.159/L.43, March 9, 1982, entitled "Conception for a Possible Structure and Procedure of the Conference on the Indian Ocean," was submitted by Bulgaria and the German Democratic Republic.

[25] For text of the Final Document of the Meeting of the Littoral and Hinterland States of the Indian Ocean, which met at U.N. Headquarters in New York, July 2–13, 1979, see the Report of the Meeting of the Littoral and Hinterland States of the Indian Ocean, in U.N. General Assembly, *Official Records: Thirty-fourth Session, Supplement No. 45* (A/34/45 and Corr.1), pp. 10–16.

[26] U.N. document A/AC.159/L.55, July 5, 1983, and Add.1–5, is a background report by the U.N. Secretariat entitled "Views Expressed by Member States of the *Ad Hoc* Committee on

Continued

committee have already suggested during our current series of meetings, the committee should set about the task of analyzing and distilling the views expressed by member states in this document. As an upshot of this process, it will be necessary to endeavor to work to reduce the differences on substance that exist among delegations and to seize points of convergence. This will be a serious and important undertaking, but one we believe within the capacity of the committee if delegations approach it with determination and political will.

We look forward to joining with all other delegations in that process in 1984. And I emphasize all delegations, including that of the Soviet Union which potentially has such an important role to play in the establishment of a real zone of peace. If I may paraphrase what Ambassador Kampelman stated in his speech of just 4 days ago (July 18) to the CSCE followup meeting in Madrid [27] to which the distinguished representative of Yugoslavia just alluded, [28] the American delegation makes this statement today not to irritate or offend any delegation here. We understand the need for patience in building the structure of peace and understanding among us. We cannot, however, lull ourselves into believing that words alone—in the absence of deeds—are adequate to erase the pressing threats to security. As Ambassador Kampelman said, we wish to resolve all potential conflicts between us, bilateral, regional, and international. We seek to do so on the basis of reciprocity and mutuality. We appreciate that in order to have a successful dialogue, we must be as attentive and responsive to the concerns of others as we ask them to be with respect to ours. We are prepared to do so.

In that context, I should like to affirm again that the United States is ready to attend a conference to implement a zone of peace in the Indian Ocean region, once a realistic basis for that zone has been agreed to here, and once political will has been exercised to improve the political and security climate in the region, notably through the withdrawal of Soviet troops from Afghanistan. We earnestly hope that the day will come in the not too distant future when the circumstances I have described will exist and when we can then hold a successful Indian Ocean conference. [29]

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the Indian Ocean on the Basis of the Informal List of Topics Referred to in Paragraph 21 of Its Report to the General Assembly at Its 35th Session." The topics (with page references to U.S. views of May 23, 1983, in parentheses) were as follows: I. Geographical Limits (pp. 14–15), II. Foreign Military Presence (pp. 28–30), III. Nuclear Weapons (p. 40), IV. Security (p. 54), V. Peaceful Settlement of Disputes (see IV. Security, above), VI. Use of the Indian Ocean by Foreign Vessels and Aircraft (pp. 71–72), and VII. Other Matters (p. 84).

[27] Text in Department of State *Bulletin*, September 1983, pp. 64–66.

[28] A summary report of Yugoslav Representative Ignac Goleb's statement to the *Ad Hoc* Committee on the Indian Ocean on July 22, 1983, is in U.N. document A/AC.159/SR.228, pp. 4–5.

[29] U.N. General Assembly Resolution 38/185, adopted on December 20, 1983, without vote, requested decisive efforts by the *Ad Hoc* Committee on the Indian Ocean in 1984 toward convening a conference on the Indian Ocean at Colombo in 1985; for text, see U.N. General Assembly, *Official Records: Thirty-eighth Session, Supplement No. 47* (A/38/47), pp. 82–83. In statements before the First Committee and the U.N. General Assembly, December 2 and 20, 1983, Ambassador José S. Sorzano, Deputy Representative at the United Nations, said that the United States was not participating in the decision to adopt this resolution because the assumption of consensus had been replaced in the First Committee by the entirely different approach of having to vote on paragraphs of this resolution. (Texts of Ambassador Sorzano's statements are in U.S. Mission to the United Nations Press Releases USUN 165–(83), December 2, 1983, and USUN 181–(83), December 20, 1983.)

B. Afghanistan

Document 403

Proclamation by President Reagan, March 21, 1983 [1]

Designation of March 21, 1983, As Afghanistan Day

The tragedy of Afghanistan continues as the valiant and courageous Afghan free-

[1] Source: *Weekly Compilation of Presidential Documents*, March 28, 1983, p. 436. This proclamation, No. 5034, was signed at Camp David, Maryland, on March 20, 1983, and filed with the Office of the Federal Register at 3:10 p.m., March 24, 1983.

dom fighters persevere in standing up against the brutal power of the Soviet invasion and occupation. The Afghan people are struggling to reclaim their freedom, which was taken from them when the Soviet Union invaded Afghanistan in December of 1979.

In this three-year period the Soviet Union has been unable to subjugate Afghanistan. The Soviet forces are pitted against an extraordinary people who, in their determination to preserve the character of their ancient land, have organized an effective and still spreading countrywide resistance. The resistance of the Afghan freedom fighters is an example to all the world of the invincibility of the ideals we in this country hold most dear, the ideals of freedom and independence.

We must also recognize that the sacrifices required to maintain this resistance are very high. Millions have gone into exile as refugees. We will probably never know the numbers of people killed and maimed, poisoned and gassed, of the homes that have been destroyed, and of the lives that have been shattered and stricken with grief.

It is, therefore, incumbent upon us as Americans to reflect on the events in Afghanistan, to think about the agony which these brave people bear, and to maintain our condemnation of the continuing Soviet occupation. Our observance again this year of Afghanistan Day on March 21, the Afghan New Year, will recall for all the world America's unflagging sympathy for a determined people, its support for their refugees and commitment to achieving a political settlement for Afghanistan which will free that country from tyranny's yoke.

The Congress, by Senate Joint Resolution 65, [2] has designated March 21, 1983 as "Afghanistan Day" and has requested the President to issue a proclamation in observance of that day.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby designate March 21, 1983 as Afghanistan Day.

In Witness Whereof, I have hereunto set my hand this twenty-first day of March, in the year of our Lord nineteen hundred and eighty-three, and of the Independence of the United States of America the two hundred and seventh.

RONALD REAGAN

[2] Senate Joint Resolution 65 was enacted as P.L. 98-10, approved March 24, 1983; for text, see 97 Stat. 41.

Document 404

Message by President Reagan, March 21, 1983 [3]

"All We Seek Is the Restoration of Peace and Freedom"

Today, March 21st, is New Year's Day in much of the Moslem world. New Year's, of course, should be an occasion for celebration. But for the Moslem people of Afghanistan, whose country was attacked and is occupied by the Soviet Army, it is a bitter reminder of a national calamity that befell their nation more than 3 years ago. To focus the world's attention on this crime against an innocent and brave nation, we observe today the second annual Afghanistan Day.

In Afghanistan, tens of thousands of people have been killed, millions have lost their homes and their livelihood. Others have been subjected to torture and other atrocities. And many have been victims of the grisly chemical and biological weapons, including "yellow rain," weapons the Soviets have used in violation of solemn international agreements. The consequences of this calamity extend to Pakistan which has assumed the burden of sheltering and feeding nearly 3 million refugees.

Yet while we condemn what has happened in Afghanistan, we are not without hope. To watch the courageous Afghan freedom fighters battle modern arsenals with simple hand-held weapons is an inspiration to those who love freedom. Their courage teaches us a great lesson—

[3] Source: White House Press Release, March 21, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, March 28, 1983, pp. 436–437. The President's message for a radio address was taped at 11:12 a.m. in his study adjoining the Oval Office at the White House.

that there are things in this world worth defending.

To the Afghan people, I say on behalf of all Americans that we admire your heroism, your devotion to freedom, and your relentless struggle against your oppressors.

The Soviet people have known great suffering. More than other people, they should be able to sympathize with the terrible suffering of the Afghan people. To the Soviet leaders, I urge you in the name of humanity to end the bloodshed so that an independent Afghanistan can again take its place in the community of nations. The West has no designs upon Afghanistan. We do not threaten you there or anywhere on the globe. All we seek is the restoration of peace and freedom for a noble and brave people whom we remember today.

Document 405

Statement Read by the Department of State Acting Spokesman (Romberg), March 21, 1983 [4]

Commitment to a Political Settlement for Afghanistan

I would like to note that today, March 21, the Afghan New Year, is being commemorated again this year as Afghanistan Day. Various private organizations, including many Afghan exile groups and some State governments and municipalities, are planning events throughout the United States to show their continuing support for the struggle that the Afghan freedom fighters are waging against Soviet aggression in Afghanistan.

In the 3 years since their invasion, the Soviet forces have been unable to subjugate Afghanistan. They are pitted against an extraordinary people who, in their determination to resist, have organized an effective and still spreading countrywide resistance. The resistance of the *mujahidin*, or Afghan freedom fighters, is an example to all the world of the invincibility of the ideals we in this country hold most dear, the ideals of freedom and independence.

The Secretary of State expresses his solidarity with the Afghan freedom fighters and sends his New Year's greeting to Afghans everywhere. He would like to recall for all the world America's unflagging sympathy for a determined people, its support for their refugees, and its commitment to achieve a political settlement for Afghanistan, based on the complete withdrawal of Soviet forces, which would also include self-determination for the Afghan people, independence and nonaligned status for Afghanistan, and the return of the refugees with safety and honor.

[4] Source: Office of Press Relations, Department of State; printed also in Department of State *Bulletin*, May 1983, p. 78. This statement was read at the Department of State Daily Press Briefing held at 12:12 p.m.

Document 406

Transcript of the Department of State Daily Press Briefing, May 4, 1983 (Extract) [5]

Strong Opposition to Soviet Occupation of Afghanistan

. . . . . .

Q. On a new subject—on Afghanistan: Do you have any comment on the reports that the administration is now publicly admitting aid to the Afghan rebels, and can you be any more specific about the extent of that aid?

A. I do have a response. I don't think you're quite right in saying the administration has addressed itself to that subject. We've seen the report in today's paper, [6]

[5] Source: Office of Press Relations, Department of State, Alan D. Romberg, Department of State Acting Spokesman, conducted the briefing which began at 12:19 p.m.

[6] *New York Times* correspondent Leslie H. Gelb reported, on the basis of information from senior administration officials, that President Reagan had decided on the supply of arms to Afghan insurgents. See Gelb's article in *New York Times*, May 4, 1983, p. A1.

and as you know, we don't comment on intelligence matters or allegations of intelligence matters so I don't have anything specific to offer. But I would reiterate for you our views regarding Afghanistan.

The United States strongly opposes the Soviet occupation of Afghanistan and seeks an early end to the agony it has brought to the Afghan people by means of a negotiated political settlement. The Soviets have been responsible there for the death of many thousands of Afghans, the flight of a fifth of the population to Pakistan and Iran, massive violations of virtually the entire spectrum of human rights, and gross violations of the rules of warfare, including the use of chemical and biological weapons.

A negotiated political settlement must be based upon the principles outlined in the U.N. General Assembly resolutions on Afghanistan which call for: the complete withdrawal of Soviet forces; self-determination for the Afghan people; an independent and nonaligned Afghanistan; and the return of the refugees with safety and honor.

Believing that every avenue leading toward a peaceful settlement must be explored, we support the efforts of the United Nations to determine the possibilities for a settlement consistent with the UNGA resolutions.

Q. Does the supply of weapons to the Afghan rebels promote a negotiated political settlement?

A. Don, you're asking me to comment on allegations of covert activities and I can't do that.

Q. You brought it up. I mean, you brought up the negotiated political settlement.

A. I'll stick with what I've just said.

Q. Can we have a copy of that?

A. Sure.

. . . . . .

Document 407

Transcript of the Department of State Daily Press Briefing, May 9, 1983 (Extracts) [7]

Retaliatory Expulsion of an Afghan Diplomat From Washington

. . . . . .

Q. Have you decided on retaliatory measures vis-à-vis the expulsion of an American diplomat from Afghanistan?

A. The Department of State has informed Mr. Salem M. Spartak, the Chargé d'Affaires of the Afghan Embassy in Washington that the presence in the United States of his second secretary, Mr. Masjaedi Hewadmal, is no longer acceptable to the U.S. Government.

Q. When does he have to get out, Alan?

A. We ask that he leave within 48 hours, which is the same amount of time accorded our second secretary in Kabul.

Q. Any comment on the charges against the second seceretary in Kabul?

A. Only what we said yesterday, which is—why don't I go through the guidance we had on this, which is that the Afghan Government unexpectedly informed us Saturday [8] of the PNG order against Mr. Peter Graham. [9]

Graham, who had planned to leave Kabul anyway at the end of May on reassignment, will depart Afghanistan within a few days. I can't give you an exact update as of this moment. [10] I don't know.

The DRA's explanation for Graham's ouster that he was using pornographic literature to purchase rugs is ludicrous and wholly without foundation.

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[7] Source: Office of Press Relations, Department of State, Alan D. Romberg, Department of State Acting Spokesman, conducted the briefing which began at 12:22 p.m.

[8] May 7, 1983.

[9] Peter T. Graham, Second Secretary of Embassy in Afghanistan, 1981–1983.

[10] Graham, who denied the Afghan charges, left Kabul on May 10, 1983.

Q. You got any of the pictures with you? (Laughter)

A. Talk to you in the Press Office. (Laughter)

As we said on Saturday, we don't know what their motivation might be.[11] We pointed out that there is no substance to the explanation given to us and have asked if they could provide another one.

We are also puzzled and concerned about recent arrests by the Afghan secret police of most of our Embassy's white collar Afghan emmployees who were performing routine administrative duties in the Embassy.

Q. Alan, the explanation that the United States is giving for the expulsion today is that the second secretary is not acceptable.

A. His presence is no longer acceptable to the U.S. Government.

Q. What is the substance—what were the words you just used to describe the lack of substance for the Kabul government? What is the comparable explanation to justify this government's—

A. I think you can draw your own conclusions about our action against the second secretary in the Embassy here. I will stand on what we said about the fact that the charges against Mr. Graham are ludicrous and wholly without foundation.

Q. Are there any charges against the second secretary?

A. I'm not aware of any particular charges against him, no.

. . . . . .

Q. On the Afghan expulsions, what does it say about U.S. relations with Afghanistan and, by extension, U.S. relations with the Soviet Union?

A. I don't think, number one—to take number two first—I would try to extrapolate on relations with the Soviet Union.

As far as Afghanistan is concerned, I can't offer you a general statement either, but we find the explanation given in terms of Mr. Graham's expulsion not satisfactory and inexplicable. I'm not in a position to try to explain the Afghan Government's motives.

. . . . . .

Q. Who suggested that this was an unexpected or surprise move by the Afghans? Was there any incident or any circumstance involving Mr. Graham which was unusual and might have led to this, or was it really a total surprise?

A. My understanding is that it was a total surprise. It was unexpected, as I said.

Q. Was he buying rugs?

A. That I can only refer to what I've actually seen in the paper coming out the Embassy, and I think that the answer is no.

Q. Alan, could this possibly be a ploy by the Soviets to divert attention from the fact that a lot of their people were expelled from Iran a few days ago?[12] Has that thought occurred to you?

A. It hadn't occurred to me. I don't want to try to get into the thinking behind it.

. . . . . .

[11] Reference presumably is to a prepared statement issued to reporters by Department of State Acting Spokesman Joseph W. Reap, Jr., on May 8, 1983.

[12] Iran expelled 18 Soviet diplomats accused of having links with the Tudeh (People's) Party on May 5, 1983.

Document 408

Transcript of the Department of State Daily Press Briefing, May 20, 1983 (Extracts) [13]

"The United States Cannot Stand Silently by and Witness This Slaughter"

. . . . . .

[HUGHES.] Numerous reliable reports continue to reach us from refugee and other sources of extremely heavy, brutal and prolonged Soviet and Soviet-mandated bombing of civilian areas within Afghanistan in recent weeks, especially of areas around Herat, the country's third largest city, and north and west of Kabul. These reports leave no room for doubt that casualties among the civilian population have been extremely heavy. It's not possible to measure precisely the extent of those casualties, but they certainly number many hundreds and are probably in the thousands. Such a massive and ruthless assault on people who are, for the most part, without any means of defending themselves is intolerable by any standard of civilized behavior. It would appear that the Soviet Union believes that the world is either unaware of or no longer cares about what it is doing in Afghanistan and that in its desperation to subdue the spirit of the vast majority of Afghans who yearn for their nation's freedom the Soviet Union is willing to employ any means, no matter how brutal.

The United States cannot stand silently by and witness this slaughter. The Soviet Union is aware of our strong concern. We call on it once more to desist from its heartless assault on a courageous and independent people and to urgently seek a solution to the crisis in Afghanistan which preserves human life and responds to the principles outlined in four successive resolutions by the U.N. General Assembly. [14]

These call for the complete withdrawal of Soviet forces, self-determination for the Afghan people, an independent and nonaligned Afghanistan, and the return of the refugees in safety and with honor.

. . . . . .

Q. Can you explain what you mean by "the United States cannot stand silently by"?

A. We're not going to be silent in the face of this action. That's why we are making this statement.

Q. You're talking only about verbal action.

A. Verbal action.

Q. You're not implying the possibility of the United States—

A. Verbal and diplomatic action.

Q. Diplomatic through what channels?

A. A variety of channels. I think the Soviets are well aware of our views, both privately and publicly.

Q. John, has the United States taken any action other than verbal or diplomatic on Afghanistan in the last few days, months, weeks?

A. No; no new action.

Q. No new action since what time?

A. Other than the continuing action we've been taking over the months and years.

Q. John, are these air strikes halted or are they still continuing?

A. I can't answer that, Larry; I can't answer it.

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[13] Source: Office of Press Relations, Department of State. John Hughes, Department of State Spokesman, conducted the briefing which began at 12:12 p.m. The statement preceding the questions and answers was read by Hughes and is also printed in Department of State *Bulletin*, August 1983, p. 70.

[14] Reference is to U.N. General Assembly Resolution ES-6/2 of January 14, 1980; text in *American Foreign Policy: Basic Documents, 1977-1980*, pp. 831-832; Resolution 35/37 of November 20, 1980; text *ibid.*, pp. 884-885; Resolution 36/34 of November 18, 1981; text *ibid.: Current Documents, 1981*, pp. 847-848; and Resolution 37/37 of November 29, 1982; text *ibid., 1982*, p. 917.

Q. What do you say to the Soviet allegation that part of the problem stems from outside support for the rebels?

A. I think that senior administration officials have addressed that question before and I think given a fairly thorough estimate of where the arms are coming from. [15]

. . . . . .

Document 409

Transcript of the Department of State Daily Press Briefing, May 24, 1983 (Extract) [16]

Cease-Fire in the Panjsher Valley of Afghanistan

. . . . . .

Q. Do you have anything on the reported truce in Afghanistan?

A. Yes, I do have something on that. Basically, that's a fairly old story. We've been aware for some time of reports from many sources that Panjsher Valley resistance leader, Massud, may have worked out some sort of cease-fire with the Soviets. It's difficult to know what the terms are or what it may mean in this struggle against the Soviet invaders, but it seems clear from all reports that there is no current fighting in the Panjsher. This valley, about 80 kilometers to the northeast of Kabul, was the scene of the heaviest and most publicized fighting between the Soviet and Democratic Republic of Afghanistan Armed Forces and the Afghanistan *mujahidin* last year during the spring and summer campaigns.

As we stated last Friday, [17] reports continue to reach us of extremely heavy and brutal Soviet bombing and fighting in various areas of Afghanistan, especially around Herat. In spite of this, the Soviets appear unsuccessful in their attempts to break the back of the *mujahidin*.

Our outrage at the loss of civilian life grows, and the Soviets are aware of our continuing concern. Surely, all the world must demand an end through a negotiated political settlement of the Soviet occupation of Afghanistan, the sole cause of the destruction and suffering of the Afghan people.

Q. I didn't understand. Are you confirming something?

A. What we're saying is that the activity by the Soviets continues despite this cease-fire.

Q. Are you confirming that such an agreement was reached, or are you only saying that you imply an agreement from the reports that there hasn't been any fighting?

A. That's what I'm saying. We've been aware for some time of reports from many sources that they may have worked out a cease-fire.

Q. Do you know when it took effect?

A. I do not, no.

Q. Could you look into it?

A. We may be able to pin it down a little—sure. [18]

. . . . . .

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[15] See footnote 6 above.

[16] Source: Office of Press Relations, Department of State. John Hughes, Department of State Spokesman, conducted this briefing which began at 1:02 p.m.

[17] May 20, 1983; see *supra*.

[18] In response to the question, "When did the truce begin in the Panjsher Valley?," the following answer was posted in the Office of Press Relations on May 25, 1983: "We have no exact date, but we have not been aware of any fighting in the Panjsher Valley since the first part of the year." (Office of Press Relations, Department of State)

Although Soviet military action in the Panjsher Valley was halted throughout 1983, guerrilla attacks on Soviet convoys continued, and Ahmad Shah Massud, the guerrilla commander in the Panjsher Valley, reportedly refused a Soviet request to prolong the truce in 1984.

Document 410

Transcript of the Department of State Daily Press Briefing, May 25, 1983 (Extract) [19]

Meeting of Secretary Shultz With Pakistani Foreign Minister Yaqub Khan

. . . . . .

Q. The Pakistani Foreign Minister is meeting with the Secretary this afternoon.

A. Yes.

Q. Do you know what the talks are focused on?

A. I think he actually was in this morning. [20] The Foreign Minister is visiting the capitals of the Security Council's permanent members to brief them on the results of the latest round of U.N.-sponsored indirect talks on the Afghanistan crisis, and his visit to Washington at this time is part of that mission. [21]

In his meeting with the Foreign Minister, Secretary Shultz reiterated U.S. support of the U.N. negotiations and U.S. support for the applicable U.N. resolutions, which call for total Soviet troop withdrawal, an independent nonaligned Afghanistan, free of outside interference, Afghan self-determination, and return of the refugees with safety and honor.

This has been the consistent U.S. position.

Q. John, any bilateral questions brought up?

A. I'm sure there were.

Q. Can you give any indication—

A. I don't have a readout on them.

. . . . . .

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[19] Source: Office of Press Relations, Department of State. John Hughes, Department of State Spokesman, conducted the briefings which began at 12:10 p.m.

[20] Secretary Shultz met with Foreign Minister Yaqub Khan of Pakistan at 8:20 a.m. (Office of Press Relations, Department of State Daily Appointment Schedule, Wednesday, May 25, 1983)

[21] Pakistani Foreign Minister Yaqub Khan had met with government officials in Beijing, London, Paris, Riyadh, and Washington, in May 1983, and was to meet with Soviet Foreign Minister Gromyko in Moscow on June 10, 1983.

Bernard Weinraub, a correspondent of the *New York Times* in Washington, reported that Foreign Minister Yaqub Khan told Vice President George Bush and Secretary Shultz on May 25, 1983, that "the question of Soviet troop withdrawal remained stalled over such issues as the timing of the pullout, the future of the 2.8 million Afghans who have fled to neighboring Pakistan and 'guarantees of noninterference and nonintervention' sought by the Russians." Weinraub based his report on information from Pakistani officials and a meeting of Foreign Minister Yaqub Khan with reporters in Washington on May 26, 1983. (*New York Times*, May 27, 1983, p. A3)

Document 411

Transcript of the Department of State Daily Press Briefing, June 17, 1983 (Extract) [22]

Support For the U.N. Negotiating Effort on Afghanistan

. . . . . .

Q. Alan, do you have any comment to make on the first day of the Afghanistan negotiations in Geneva; [23] any kind of a readout at all on that?

A. Yes, I do. As we've stated before, the United States supports the U.N. negotiat-

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[22] Source: Office of Press Relations, Department of State. Alan D. Romberg, Department of State Acting Spokesman, conducted the briefing which began at 12:27 p.m.

[23] Diego Cordóvez, Personal Representative of the U.N. Secretary-General, acted as an intermediary between Afghan Foreign Minister Shah Mohammad Dost and Pakistani Foreign Minister Yaqub Khan in discussions on a political solution of the situation in Afghanistan at Geneva, April 11–15 and 18–22 and June 16–17 and 20–24, 1983.

ing effort on Afghanistan. The policy of the United States in regard to Afghanistan is clear. We seek a negotiated political settlement at the earliest possible moment to end the agony of the Afghan people and to get the Soviet forces out of Afghanistan.

In our view, any settlement must incorporate the four elements which are contained in the UNGA resolutions on Afghanistan—that is, the withdrawal of Soviet forces, the independent and nonaligned status of Afghanistan, self-determination for the Afghan people, and return of the refugees with safety and honor.

Our hope is that progress toward settlement can be achieved in this session. We believe that the key to a settlement is Soviet willingness to withdraw troops from Afghanistan.

. . . . . .

Document 412

Transcript of a Press Conference by the Secretary of State (Shultz), June 22, 1983 (Extract) [24]

Lack of Discernible Progress in the U.N. Negotiating Effort on Afghanistan

. . . . . .

Q. Mr. Secretary, do you have the impression yet that the Soviets want to negotiate a way to get their troops out of Afghanistan? And what would you hope to accomplish on that front . . . during your trip? [25]

SECRETARY SHULTZ. The United Nations has been conducting for some time now negotiations with the Soviet Union on the Afghanistan matter. Just how much progress they've made is a little difficult to interpret. The Pakistanis have been involved, and of course, taking a part there. I've had the opportunity to discuss that with Foreign Minister Yaqub Khan, and I look forward to talking with him again. But I don't really have anything to point to that says that genuine progress has been made. There is a large contingent—over 100,000, we understand—of Soviet troops in Afghanistan.

For there to be a genuine resolution of that problem, which we very much favor, it would have to include the removal of those troops; it would have to include the emergence of a nonaligned government of Afghanistan; it would have to provide for the creation of a government that is responsive to the people of Afghanistan, and in some way the refugees would have to come back with honor and without prejudice.

So those are the things, I think, that are pretty well agreed that we need to work for. And there is a lot of effort going on, but it's hard to identify progress.

. . . . . .

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[24] Source: Department of State Press Release 221, June 22, 1983; also printed in Department of State *Bulletin*, August 1983, p. 7. For full text, see *ibid.*, pp. 5–8. This press conference took place in the Loy Henderson Conference Room at the Department of State beginning at 3:05 p.m.

[25] Secretary Shultz made an official working visit to East and South Asia and the Middle East, June 25–July 7, 1983; he visited the Philippines, June 25–26; Thailand, June 26–29; India, June 30–July 2; Pakistan, July 2–4; Saudi Arabia, July 4–5; Lebanon, July 5; Syria, July 5–6; Israel, July 6–7; and Jordan and Egypt, July 7, 1983.

Document 413

Transcript of a Press Conference by the Secretary of State (Shultz), New Delhi, July 1, 1983 (Extract) [26]

Exchange of Letters Between Secretary Shultz and Soviet Foreign Minister Gromyko on Negotiation of a Settlement in Afghanistan

. . . . . .

Q. Mr. Secretary, Afghanistan is one of the issues in your talks here and also in Islamabad. You have recently written a letter to Mr. Gromyko dealing with Afghanistan. Did you get any answer and what was the purpose of this letter?

SECRETARY SHULTZ. There has been an exchange of letters. The purpose was to assure the Soviet Union, as we have assured others who are involved in this negotiation—the Secretary-General of the United Nations, the Pakistanis and others—that we wish to see it settled and we would like to see it settled according to the guidelines that have been laid out in the United Nations. Just how much progress there has been, I think, is something of a question and I look forward to my discussions in Pakistan where I will get another reading on that subject.

. . . . . .

[26] Source: Department of State Press Release 279, July 12, 1983; printed also in Department of State *Bulletin*, September 1983, p. 35. For full text, see *ibid.*, pp. 34–36.

Document 414

Statement by the Secretary of State (Shultz) at the Nasrbagh Refugee Camp, Peshawar, Pakistan, July 3, 1983 [27]

"Fellow Fighters for Freedom, . . . We Are With You"

Fellow fighters for freedom, not only in Afghanistan but throughout the world. My message to you from the United States is very simple. We are with you. This is a gathering—a very moving experience for me—a gathering in the name of freedom, a gathering in the name of self-determination, a gathering in the name of getting the Soviet forces out of Afghanistan, a gathering in the name of a sovereign Afghanistan controlled by its own people. The millions from Afghanistan who are refugees here, of course, bring out the human dimension of this tragedy brought on by the invasion and occupation of Afghanistan by Soviet forces. The human dimension has its counterpart of tragedy but also of inspiration and determination, at the determination of you not to live under that rule, but to fight back. I would like to express my appreciation and my support for many people who are part of this effort, for the officials of the Government of Pakistan, and for the people of Pakistan, particularly those in this area. I was touched to see that you spoke so eloquently yourself, this morning. [28] I express my appreciation to those from around the world who have come here as volunteers to be helpful. I feel privileged as an American to be part of the support effort for you, not only from the governmental efforts, but from the private organizations which have come here to be helpful. You fight valiantly and your spirit inspires the world, and I want you to know that you do not fight alone—many all over the world stand with you. World opinion is expressed without equivocation

[27] Source: Department of State Press Release 269, July 8, 1983; printed also in Department of State *Bulletin*, September 1983, pp. 39–40. During this morning visit to Pakistan's Northwest Frontier Province, Secretary Shultz visited Michni Point, an outpost of the Pakistani Khyber Rifle Regiment, one mile from Afghanistan.

[28] The Afghan tribal chieftain had spoken before Secretary Shultz.

or ambiguity in votes in the United Nations. But you have also spoken of the visible support that has come here and I assure you again that the United States, has, does, and will continue to stand with you. You spoke, sir, of the fact that there are negotiations taking place about the Afghan issue, and I can tell you that from the standpoint of the United States, negotiations will only be successful if they include the removal of Soviet forces from Afghanistan, if they include a provision for self-determination in Afghanistan, if they include provisions under which refugees may return to their country with dignity and honor. These are things that must be included in any settlement if it is to be satisfactory.

You spoke of your determination and your confidence and I agree with you—there are not only the millions here, but you spoke also of the millions who have turned out in Poland just in the past few weeks. I share your confidence that in the end, freedom will prevail—we will prevail. And we will prevail because, first of all, we have strength; second of all, we are determined; and most of all, because our cause is the cause of right and justice. Finally, I express again my sense of privilege at being here with you, and of sharing these aspirations for freedom that you fight for, that I fight for, and the American people stand for. Thank you very much.

Document 415

Press Briefing by the Pakistani Foreign Minister (Khan), July 3, 1983 (Extract) [29]

Status of Negotiations for a Peaceful Settlement of the Afghanistan Problem

. . . . . .

(Inaudible) . . . .[30] In order to try to find a peaceful settlement of the Afghanistan problem. The last round of talks we had in Geneva were centered primarily on trying to move forward in arriving at a comprehensive settlement of the Afghanistan problem. As you know, the talks are indirect. That is to say, that we do not talk face to face with the Afghan delegation because we do not recognize the Karmal regime. We are insistent therefore that the talks should not be direct and should be through the special representative of the Secretary-General of the United Nations. So much for the form of the talks.

As regards the prospects, or more accurately, as regards the progress made . . . As you know the problem is a very complex one. It's thorny and it's difficult for a number of reasons, most of which are obvious.

Nevertheless, from our point of view, and indeed I would have thought from the point of all concerned, it is highly desirable that we should arrive at a settlement for these refugees whom you saw, or some of whom you saw. The plight in which they live; the fact that there are no less than 3 million of them in Pakistan and in the province or state or which you were, of which Peshawar is the capital. One in every seven persons that you meet in that state, in that province, is a refugee. That just gives you an idea of the demographic situation, if you like, of the refugees. We are doing our best to take care of them from a humanitarian point of view and we shall continue to do so. We are assisted greatly by help from outside—international resources, your country, and so on. Nevertheless, the fact remains that they are a burden on the economy of a country like ours. This is a burden we have borne cheerfully. Because you see it is our humanitarian duty to assist them and we shall of course continue to do so. They themselves, having been driven from their homes, having fled from their hearths and homes, and in many cases, separated from their dear ones, in conditions of anguish, sorrow and frequently of tragedy, would like to return to their homes voluntarily, in safety and with dignity and in honor. They cannot return so long as the Soviet troops continue to occupy Afghanistan.

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[29] Source: Department of State files. The briefing was conducted en route from Peshawar to Islamabad. Foreign Minister Khan presumably accompanied Secretary Shultz to Peshawar, July 3, 1983.

[30] Ellipses throughout this document are in the source text.

Therefore, the withdrawal of Soviet troops becomes the central point to create the set of conditions which would admit the return of these refugees to their homes in the conditions that I have just described. It is to that end that the negotiations we are conducting are in fact directed. They are directed at an arrangement or a comprehensive agreement which would ensure the withdrawal of the Soviet forces and the return of the refugees to their homes. It also entails assurances from our side and from the side of the Afghans—reciprocal assurances of noninterference and nonintervention in the internal affairs of Afghanistan—and these are assurances which we are prepared to give because we have not intervened or interfered in the internal affairs of Afghanistan and we are not doing so now. Therefore we have no hesitation prospectively, that is to say with regard to the future, to give undertakings of the kind that are part of the U.N. Charter and are rooted in normal international conduct.

From the Soviet side and the Afghan side, they also insist on guarantees—guarantees of noninterference and nonintervention. This is the Afghan and Soviet demand from the United States, and possibly from others. The Soviet Union would equally undertake to give guarantees of noninterference and nonintervention and the United States would be called upon to do the same. This stage of the negotiations—the one dealing with guarantees—has not yet been tackled in substance. The reason is obvious. Until the text of the agreement has reached a point where there is something to show the potential guarantors—what they are going to guarantee—obviously, the time is not right for such an undertaking. Within the next few weeks, possibly in the next two months, the U.N. Secretary-General's representative will be making contact with the U.S. Government—an official approach to discuss the question with them. I obviously cannot speculate on what the reactions of the United States would be. In principle, subject to the declaration of guarantees being acceptable to the United States, the United States has agreed to consider the possibility of being guarantors, and so has the other side, the Soviet Union.

Q. They have considered?

A. Yes they have. So far the Soviet Union and the United States are the potential guarantors. I say potential because they have not yet had a chance to study the problem in detail. Our view is that all the five members—permanent members of the Security Council—should be guarantors. Nevertheless, as you know, guarantors have to be accepted by both sides and so far the two states or countries which have appeared as the most probable and acceptable to both sides are the United States and the Soviet Union. The question is open with regard to the other guarantors. So much for the guarantees, and the guarantors.

Now with regard to the progress that we have achieved, the progress is steady. It is slow and I think that is how it should be, because it is better to move steadily and in a methodical and solid manner rather than attempt a quick fix. In our view nothing could be more fragile and also undesirable and shaky as any attempt to arrive at a hasty settlement. Therefore, we are moving in these talks very cautiously and steadily. We are not at a point of a breakthrough. No dramatic or spectacular results are around the corner. Nevertheless, the progress from our point of view has been sufficiently encouraging for me to be able to tell you that we are satisfied with the rhythm of the progress that has so far has been achieved with regard to substantial issues of a possible settlement. That is where things stand and I would be happy to try to answer your questions. Of course there is an aspect of confidentiality with regard to the details. I could not go into the blow by blow account of where things stand.

Q. You have been very active and you have been very much in touch with the United States and the Soviet Union. The Secretary came here to Pakistan. Now he has met with you twice. What would you say he now knows that he didn't know before he came here?

A. This I think you should address . . . these questions . . . .

Q. What have you told him that was new? He said he came here to listen and to hear a first-hand report from you because you had been to Moscow, you had been to Geneva.[31] What you have said

[31] Reference is possibly to Secretary Shultz's arrival statement in Islamabad, July 2, 1983; see Department of State *Bulletin*, September 1983, pp. 36–37.

now is pretty much the picture as we've known it for several weeks. Has there been any new development, any new initiative, any new approach? What has he accomplished by coming here?

A. Well, I spoke to the Secretary when I was last in Washington [32] regarding the visit to a number of capitals that I have undertaken . . . (to) all members, permanent members of the Security Council, since then we had this meeting in Geneva, and I was able to update him on the developments that took place during the meeting in Geneva and to share with him the progress that has since been made. As I say, that progress should not be seen as something spectacular. Nevertheless, it is steady, it is meaningful, and it is substantial. This I was able to communicate to him and to update him regarding it.

Q. Is it your feeling that the Soviets, when you deal with the Soviets and with the Afghans indirectly . . . is it your feeling that the Soviets are genuinely interested in finding a solution or the other version that the Soviets are going through the motions of negotiation as a way of stalling?

A. No, it is not our impression that the Soviets are stalling or dragging their feet. It is negotiation. Obviously there are differences of approach and there are hurdles that have to be overcome. But it is our impression that the Soviets are serious about this process of seeking a settlement. They have declared this publicly. Their leaders have repeated it many times and we take their word—for the purpose of these negotiations—we take their word as stated to us: as an assumption that they would withdraw provided certain conditions were fulfilled, the conditions being noninterference and nonintervention. These are assurances we are prepared to keep because . . . .

Q. Some say that the progress that you allude to is more in atmospherics than in any tangible aspect of the negotiations. Do you agree with that?

A. No, I don't think it would be fair to say that the progress is all intangibles or peripherals or marginals and not germane to substantive issues. I think it would be true to say that steady progress has been made on substantive issues . . . Only a few of them have been tackled. Several important ones remain to be addressed. But I think it would be a mistake to draw conclusions on either end of the spectrum. Either that is all superficial, peripheral, nonsubstantial, or that we are very close to or at the verge of a breakthrough. The reality as usual lies in the crepuscular region, it lies in that twilight.

Q. At the present rate of progress, how many years will it take (inaudible).

A. It's very difficult to prognosticate but I don't think it should run into that type of time frame. I would be very disappointed if it runs into anything like several years. I think it should be possible—if both sides are as serious as there is every evidence that they are—I wouldn't like to name a time frame. But I don't think it would run into that kind of period.

[32] Reference is to Pakistani Foreign Minister Yaqub Khan's meeting with Secretary Shultz in Washington on May 25, 1983; see document 410.

Document 416

Transcript of a Press Conference by the Secretary of State (Shultz), Islamabad, July 4, 1983 (Extracts) [33]

"The Russian Threat . . . Has Come Forward As a Result of Soviet Aggressive Behavior"

. . . . . .

Q. Mr. Secretary, as a result of your discussions with the Foreign Minister [34] and President Zia, has there been any fine-tuning of the U.S.–Pakistan position on Afghanistan, any change regarding what Pakistan will convey in the Geneva discussions?

[33] Source: Department of State Press Release 302, July 8, 1983; printed also in Department of State *Bulletin*, September 1983, pp. 40–41. For full text, see *ibid.*, pp. 40–42. For another portion of this press conference, see document 439.

[34] Lieutenant General Sahabzada Yaqub Khan, Pakistani Foreign Minister.

SECRETARY SHULTZ. We have shared views and, of course, I have been very interested in the Foreign Minister's report and analysis, and President Zia's, and we have, I think, become very well informed through an intense briefing at the staff level. Our objectives, I think, which we share completely, remain unchanged, and I would say in my analysis that the report that I've had that there isn't a sense of enough progress to make it worthwhile continuing the dialog, but not so much as to make you think we're anywhere near the end of it.

Q. Mr. Secretary, I would like to divert your attention toward the interview of the Russian Ambassador in Pakistan [35] who said that "Mr. Shultz is bringing the Soviet danger in his briefcase during his visit to Pakistan."

SECRETARY SHULTZ. I guess the origin of that question has never visited where we visited yesterday. [36] It is not me that brings the Russian threat, it is the Russians who have brought it themselves with their invasion and occupation of Afghanistan. We could see the human tragic fallout from that in the refugees, and particularly, I think, the women and the children, the widows. So the Russian threat is there, has come forward as a result of Soviet aggressive behavior, nothing whatever to do with the United States. At the same time we join with Pakistan and others in deploring this action and in expressing our support for the Afgan freedom fighters.

. . . . . .

Q. You had an exchange of letters with Foreign Minister Gromyko on Afghanistan, [37] and now you have had talks with Foreign Minister Yaqub Khan. In 2 or 3 months' time the U.N. Envoy will get in touch with the Soviet Union in Moscow on the subject of guarantees and other questions related to the Afghanistan issue. Do you think these U.N. talks will go on for years as other talks have gone on for 5 or 6 years? What is your assessment? How soon can this question be solved?

SECRETARY SHULTZ. Well, I think it is a mistake to try and put some sort of deadline down on talks of that kind. At the same time, obviously nobody concerned wants to have talks that just drag on endlessly and pointlessly and the possibility of not coming out with something constructive. The expert on that subject is sitting on my right, [38] but I have already characterized what my understanding of the situation is, and I don't want to repeat it.

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Document 417

Transcript of the Department of State Daily Press Briefing, September 16, 1983 (Extracts) [39]

Rejection of Afghan Charges of Spying Against Two American Diplomats

. . . . . .

Q. Do you have a reaction to the expulsion of the two U.S. diplomats from Afghanistan?

A. Not a great deal beyond yesterday, [40] although we did call in the Afghan Chargé

[35] Vitaly S. Smirnov.

[36] Reference is to Secretary Shultz's visit to the Nasrbagh Refugee Camp in Peshawar, July 3, 1983; see document 414.

[37] See document 413.

[38] Reference is to Pakistani Foreign Minister Yaqub Khan.

[39] Source: Office of Press Relations, Department of State. John Hughes, Department of State Spokesman, conducted this briefing which began at 12:32 p.m.

[40] On September 15, 1983, Edward Hurwitz, Chargé d'Affaires at the U.S. Embassy in Kabul, was summoned to the Afghan Foreign Ministry and handed a memorandum from the Afghan Government, expelling Hugh J. Turner III, Second Secretary of Embassy, and Robert Q. Blackburn, Jr., Attaché, from Afghanistan within 48 hours for espionage. On the same day, Joseph W. Reap, Jr., Department of State Acting Spokesman, told reporters in Washington that "there is no substance whatsoever to the preposterous explanation they have given us for expelling these two American diplomats." For Kabul radio reports on this incident, see Foreign

Continued

d'Affaires in Washington. That is Mr. Haider Refq. He was called into the Department yesterday at which time he was told by Deputy Chief of Protocol Richard Gookin that the charges against Mr. Turner and Mr. Blackburn are baseless. That is the new development.

There are in fact, just for your information, about 20 Americans at our Embassy in Kabul. That includes six Marines. The man in charge there is our Chargé d'Affaires. His name is Edward Hurwitz. Beyond that, I don't have anything beyond the guidance we gave you yesterday.

Q. You can't say they have actually left the country?

A. I can't, no.

. . . . . .

Q. Why do we regard the U.S. presence in Afghanistan as being accreditation to an independent government when the government appears to be under Soviet occupation and it's really, at the moment, a kind of Soviet protectorate? Why don't we make our protest to the Soviets?

A. Make a protest to the Soviets?

Q. Make it just as a continuation of our problems with the Soviets.

A. Because our Embassy is in Kabul and accredited to that particular government.

Q. So we're recognizing them, in effect, as independent?

A. Yes, with obvious implications about the activity that is going on in that country.

. . . . . .

Broadcast Information Service, *Daily Report: South Asia*, September 16, 1983, p. C1, and September 20, 1983, pp. C1–C2.

Document 418

Report by the U.N. Secretary-General (Pérez de Cuéllar) to the U.N. General Assembly and Security Council, September 28, 1983 [41]

Deep Concern at the Slow Pace of Negotiations For a Settlement in Afghanistan

1. The present report is submitted in pursuance of General Assembly resolution 37/37 of 29 November 1982, [42] in which the Assembly reaffirmed the principles involved and the action required with regard to the situation relating to Afghanistan.

2. Since the adoption of that resolution, I have actively continued my efforts to promote a political solution through negotiations. These efforts centred on the formulation of a comprehensive settlement designed to resolve the issues inherent to the present situation and to establish a framework for good neighbourly relations.

3. From 21 January to 7 February 1983 my personal representative, Diego Cordóvez, visited Pakistan, Afghanistan and Iran, where he had detailed consultations in order further to define the substantive contents of the settlement and to determine the procedural steps required to give impetus to the diplomatic process. The consultations dealt with the four items previously identified for consideration: withdrawal of foreign troops; non-interference and non-intervention; international guarantees; and voluntary return of refugees. In Islamabad Mr. Cordóvez met with President Zia ul-Haq, Foreign Minister Sahabazada Yuqub-Khan and other senior officials of the Government. In Kabul Mr. Cordovez met with President Babrak Karmal, Prime Minister Sultan Ali Keshtmand and Foreign Minister Shah Mohammad Dost. In Teheran he met Foreign Minister Ali Akbar Velayati and other senior officials.

[41] Source: U.N. document A/38/449 (S/16005).

[42] For text, see *American Foreign Policy: Current Documents, 1982*, p. 917.

4. During the consultations held in the area it was possible to widen the understandings reached during the first round of discussions held at Geneva in June 1982 through the intermediary of my personal representative.[43] In fact, additional understandings were reached on the nature and operation of a "policy mechanism" that would be articulated in the comprehensive settlement and on the kind of provisions required to ensure its effective implementation. The consultations also led to an agreement that a second round of discussions, on the same basis as that held in June 1982, should be convened in order to carry forward the diplomatic process. The interlocutors reaffirmed in that context that the discussions should remain confidential unless otherwise agreed by all concerned.

5. At the end of March I paid a visit to the Union of Soviet Socialist Republics during which I had an opportunity to exchange views on the situation with President Andropov and Foreign Minister Gromyko. The Soviet Government expressed itself strongly in favour of a political settlement and supported categorically the continuation of my efforts.

6. The second round of discussions through the intermediary of my personal representative was held at Geneva in two phases: the first from 11 to 22 April and the second from 12 [*16?*] to 24 June 1983. The Foreign Ministers of Afghanistan and Pakistan were present at Geneva for this purpose. The Government of the Islamic Republic of Iran was kept informed of the discussions through its Permanent Representative.[44] The suspension of the discussions on 22 April was agreed upon to enable the interlocutors to hold consultations in their respective capitals.

7. During the discussions, which were conducted in a very constructive spirit, substantial progress was made in the definition of the contents of the comprehensive settlement, its principles and objectives, the interrelationship amongst its four component elements and the provisions, including time-frames, for its implementation. It did not prove possible, however, to bridge differences of attitude and position regarding a number of issues, including some crucial issues, which were left in abeyance.

8. During the Geneva discussions the arrangements aimed at ascertaining the voluntary and unimpeded character of the return of the refugees were most carefully considered, and at the conclusion of the round of discussions it was agreed that preparations for such arrangements would be started without delay. Consultations were accordingly held throughout the summer with the United Nations High Commissioner for Refugees[45] with a view to submitting specific proposals thereon.

9. During the past year I and my personal representative have also continued efforts to enlist the support of all Governments which can contribute to resolving the issues involved.

10. Whilst my personal representative had been requested to visit the area towards the end of the summer I subsequently came to the conclusion that the time chosen for such a visit would not be suitable for the purposes that the interlocutors had set themselves to achieve. The presence at New York of the Foreign Ministers of Afghanistan, Iran and Pakistan, on the occasion of the current session of the General Assembly, will provide, however, an opportunity for discussions which, I earnestly hope, will establish a solid basis for the resumption of the diplomatic process.

11. That valuable and indispensable work has been accomplished during the period covered by this report is beyond question. For, given the difficulties encountered in setting in motion the diplomatic process, it has undoubtedly gone a long way towards the achievement of a fair and lasting political solution. This has proved possible, in the main, because all concerned have remained firmly determined to work in good faith in the progressive development of a comprehensive settlement which would effectively resolve all the issues involved. I am also encouraged by the increasingly broad support

[43] See A/37/482-S/15429. [Footnote in the source text.]

[44] Said Rajaie-Khorassani, Permanent Representative of Iran to the United Nations. Pakistani Foreign Secretary Niaz A. Niak briefed Nasrullah Kamyab, Iranian Representative to the European Office of the United Nations at Geneva, on the progress of the talks. (Foreign Broadcast Information Service, *Daily Report: South Asia*, June 21, p. F1, June 22, p. F1, and June 27, 1983, p. F1)

[45] Poul Hartling, U.N. High Commissioner for Refugees.

that these efforts have received from the members of the international community.

12. I cannot conceal, at the same time, my deep concern at the slow pace of the negotiations and at the difficulties encountered in overcoming existing obstacles. It would indeed be regrettable if the solid work that has been done were to be wasted. My concern is all the more urgent as I reflect on the continuing suffering of the Afghan people and on the profound humanitarian implications of a political settlement. I personally feel that the diplomatic process has moved in the right direction and that a settlement *is* possible on the basis of what has already been accomplished, provided that the necessary policy decisions are made. If these negotiations succeed, all Afghans will be able to decide their future in peace, and the foundations will have been laid for mutual understanding and co-operation among the States in the area.

13. I believe that these feelings are shared by the concerned Governments and I am therefore fully prepared, should they remain committed to the diplomatic process, to continue to assist them in their endeavours to reach an early conclusion of the settlement.

Document 419

Statement by the Representative at the United Nations (Kirkpatrick) Before the U.N. General Assembly, November 22, 1983[46]

Support For a Fair and Comprehensive Solution of the Situation in Afghanistan

The present debate in the United Nations on the situation in Afghanistan marks the fifth time that the General Assembly has met to consider the Soviet Union's invasion of that country and its continuing effort to subjugate the Afghan people by force. The fact that our deliberations, by this time, follow an established pattern must not be allowed to detract in any way from the urgency and the extraordinary significance of the issue before us.

On one level, the continuing war conducted by the Soviet Union against the people of Afghanistan poses a challenge to the ability of the United Nations effectively to defend the bedrock Charter principle prohibiting aggression against the territorial integrity and political independence of member states. But, on another level, the continuation of the war, which will shortly enter its fifth year, is a tribute to the heroism of the people of Afghanistan.

As of today, November 22d, the Soviet war against the Afghan people has been fought 35 days longer than the Soviet Union's participation in the struggle against Nazi Germany during World War II—what the Soviets call the "great patriotic war." The fact that the Afghan people have been able to resist an adversary so much more powerful militarily and so ruthless in its use of force is testimony to their fierce pride and unsurpassed courage. But this war, which is truly Afghanistan's great patriotic war against the Soviet Union, has taken a devastating toll on the Afghan people, hundreds of thousands of whom have been killed and millions of whom have been forced to flee their homeland.

It has been said that Afghanistan can be destroyed but cannot be conquered. Unable to subdue the Afghan freedom fighters, the Soviet forces have launched ruthless campaigns against the general populace—leveling entire villages, burning harvests, killing livestock, and taking cruel reprisals against Afghan civilians. Areas that once exported foodstuffs now suffer food shortages and, in some cases, actual starvation.

The chronicle of the rising level of violence inflicted by Soviet occupation forces against Afghan civilians recalls images of Guernica and Lidice. This violence, which has included torture, mass executions, rape, and civilian massacres, has been painstakingly documented and strongly condemned by independent international humanitarian groups, including the Permanent Tribunal of the Peoples, which met last December in Paris, and the International Conference on Afghanistan, which was held in Oslo in March.

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[46] Source: U.S. Mission to the United Nations Press Release USUN 153-(83), November 22, 1983.

Of all the dozens of witnesses who testified at the Paris meeting—among them journalists, doctors, experts on weaponry, representatives of humanitarian groups who had secretly visited Afghanistan, Afghan victims, and other eyewitnesses—none presented more compelling testimony than three men from a village in the Logar Valley near Kabul. They described in harrowing detail how Soviet troops entered the village on September 13, 1982, and deliberately burned to death 105 villagers, including many small children, who had taken refuge in an underground irrigation tunnel. According to one of the witnesses, the Soviet troops "burst into applause" after successfully sealing up and igniting the tunnel. The witnesses charged that incidents of equal brutality had occurred in other villages.

The report of the Oslo Conference, [47] which was presented to the recent meeting of the U.N. Sub-Commission on Prevention of Discrimination and Protection of Minorities, contains many factual accounts and eyewitness testimonies of flagrant violations of basic human rights, including mass killings perpetrated by Soviet forces in Afghanistan.

The main Soviet military efforts in 1983 have included a ruthless bombing and ground campaign in the western city of Herat during the spring and summer and attacks on villages near Kabul and along the Pakistan border near Kandahar, Ghazni, and Jalalabad. The bombing attacks resulted in heavy civilian casualties but relatively few losses among the *mujahidin*. Herat, for example, was hit by some 50 sorties a day in April, but the city still remains in the hands of the resistance.

Among the many reports of violence against civilians was the execution by Soviet forces in July of 20 elders in the provincial capital of Ghazni to avenge the deaths of several Soviet personnel. In October, reprisals were launched against villages near Kandahar, Afghanistan's second largest city, resulting in the death of some 100 civilians.

More recently, several hundred men, women, and children were reportedly killed as a result of the Soviets' savage destruction of the small handicraft-producing town of Istalef north of Kabul. At least half the town was leveled by artillery shelling, aerial bombardments and torching by Soviet troops. Shocking but credible reports have been received from numerous sources of Soviet soldiers killing women and children with bayonets. A respected Istalef religious figure is said to have been summarily shot after personally complaining to the Kabul regime's Prime Minister about the Istalef atrocities.

Wartime devastation and the violence directed against the civilian population have forced a massive exodus of Afghans from their homes. Over 3 million Afghans have fled their country, while tens of thousands more are displaced within Afghanistan itself. Pakistan, which provides asylum to well over 2 million refugees, has handled its burden in a humane manner which is truly admirable. The U.N. High Commissioner for Refugees deserves special recognition for tireless efforts to lessen the burden by providing shelter, food and medical care to the refugees.

Finding themselves unable to defeat the Afghan resistance in its native mountainous terrain, Soviet forces have cruelly used chemical weapons and toxin weapons against freedom fighters and civilians alike in contravention of international law and agreements—and human decency. Victims tell of long and painful sickness and death following Soviet chemical attacks. Their accounts conform with those of Hmong tribesmen in Laos and Kampuchean resistance fighters who report similar attacks by Soviet surrogates in Indochina.

The Soviets also continue to use booby-trapped mines disguised as toys, cigarette packs, pens, and other household objects in violation of an international convention which they signed in 1981 prohibiting the use of such cruel weapons. [48]

[47] An interrogation panel of politicians, journalists, and specialists heard testimony of Afghan and Western witnesses on conditions in Afghanistan before the International Afghanistan Hearing in Oslo, March 13–15, 1983. Bjorn Stordrange, Chairman of the hearing, prepared the report, a copy of which was submitted by the International Support Committee for a Free Afghanistan to the U.N. Subcommission on Prevention of Discrimination and Protection of Minorities on August 22, 1983.

[48] The text of the Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects, with annexed Protocols: Protocol on Non-detectable Fragments (Protocol I), Protocol on Prohibitions or Restrictions on the Use of

Continued

The increased Soviet brutality against Afghan civilians makes a mockery of Soviet propaganda which portrays the Soviet Union as the protector of Afghanistan and Babrak Karmal as the beloved and democratically chosen leader of the Afghan nation. In fact, the Soviet invasion and occupation of Afghanistan is a clear—indeed, blatant—example of imperialist expansion, the fulfillment of a longstanding Soviet, and before that Tsarist, goal of obtaining warm-water ports on the Indian Ocean. In its effort to add Afghanistan to its collection of conquered Central Asian Khanates, Moscow unilaterally invaded the country (in December 1979) and installed a puppet regime there. Moscow's claim that it was invited by an established government was concocted after its invasion. The Soviet Union has, in fact, never produced a shred of concrete evidence supporting its claim that an invitation was issued, and its first action in Afghanistan after the invasion was the murder, by a special Soviet assault team, of then-President Hafizullah Amin, in whose name they claimed to be acting.

The Soviet assertion that it sent its forces into Afghanistan to beat back American, Chinese, and other foreign invaders is equally absurd and unsubstantiated. Not a single American or Chinese soldier has ever been found there. In a recent interview, a Soviet soldier who defected to the *mujahidin* said that he and other Soviet soldiers sent to Afghanistan were told that they would be defending the Soviet southern border against such foreign invaders. "But one or two months after I arrived in Afghanistan," he said, "I realized that I was deceived. We didn't see any Chinese or Americans." He added: "I didn't want to be part of this dirty war in Afghanistan. None of the Soviet soldiers wants to be here . . .[49] the Soviet Union should pull out its forces, because innocent people are dying on both sides."

Moscow's argument that it is fighting "outside interference" has validity only if one considers the Afghan people to be outsiders in their own country. Meanwhile, four years after the Soviet invasion, Moscow is still attempting to make Afghanistan a subservient satellite, with 105,000 Soviet troops wreaking death and destruction upon an unyielding Afghan citizenry.

Real Soviet intentions toward Afghanistan are further underscored by its efforts to absorb the country economically and culturally into the Soviet empire. Afghanistan's natural resources, including natural gas, copper, and iron ore, are being shipped to the Soviet Union to offset the cost of the occupation. New road and rail links connect Afghanistan with the Soviet Union, while the power grid in northern Afghanistan is now integrated with that of Soviet Central Asia. The effort to reshape Afghanistan's traditional culture in a Marxist-Leninist mold continues apace. In addition to the Sovietization of Afghanistan's educational institutions, thousands of young Afghans, including children aged 6 to 9, have been sent to the Soviet Union and other bloc countries for training and indoctrination.

Such efforts to reshape Afghan culture are one indication of the total absence of popular support for the Soviet occupation, as well as for the puppet regime of Babrak Karmal which has no-following apart from the tiny, splintered, and despised Communist Party. As a result, the Soviets and their surrogates have had to exert control through brute force and terror. The Afghan secret police, known as the Khad, is modeled after the Soviet KGB and is under Soviet direction. During the 20-month period of Communist rule preceding the Soviet invasion, the Khad and its Soviet advisers were responsible for thousands of executions, as many as 32,000 in Pul-i-Charki prison alone, according to the Paris-based International Federation for Human Rights which has conducted extensive interviews with survivors of the terror campaign. The Khad remains the most pervasive and systematic violator of human rights in areas under regime control. Through surveillance, arrest, imprisonment, and torture, the Khad has instilled a pervasive atmosphere of terror.

Mines, Boobytraps and Other Devices (Protocol II), and Protocol on Prohibitions or Restrictions on the Use of Incendiary Weapons (Protocol III), concluded at Geneva October 10, 1980, opened for signature in New York for one year from April 10, 1981, and entered into force December 2, 1983, is printed in *The United Nations Disarmament Yearbook, 1980* (New York, 1981), vol. 5, pp. 466–475. The United States signed the Convention on April 8, 1982, but has not yet ratified it. The U.S. statement of April 8, 1982, upon signing the Convention, is printed in U.N. document A/37/199, October 5, 1982, p. 8.

[49] Ellipsis in the source text.

Amnesty International recently reported that torture is used systematically by the Khad.[50] Victims range from 16-year-old girls to persons in their sixties. Amnesty's interviews with former prisoners reveal that hundreds of students from Kabul University and high schools have been tortured during the past 3 years. Amnesty renewed an appeal to Babrak Karmal, which has still gone unanswered, to put an end to the torture.

With the Soviet invasion of 1979, a totalitarian, one-party state ruled by the Afghan Communists has given way to a totalitarian apparatus completely controlled by the Soviet Union. Soviet military and civilian advisers sit in almost all ministries and make or approve every decision in the name of the regime. So weak and isolated is the Soviet client regime that its tenuous control extends only over parts of some major cities. The Afghan army continues to elude Soviet and regime efforts to make it an effective fighting force. Wracked by desertions and low morale, the army remains at half its pre-1979 level, despite the use of hated press-gangs to conscript males, many in their early teens, and incentive pay scales for recruits almost equal to sub-Cabinet salaries. Defections to the resistance in fact *equal* inductions into the army.

Afghans tell of Alexander the Great defining the hero as "he who does not ask the number of his foe, but asks as to where his foe is." This description epitomizes the Afghan *mujahidin*. Enjoying widespread support among the Afghan people, the *mujahidin* have heroically held the Soviet Union at bay for four years in a tenacious defense of their homeland, their religion, and their right to self-determination as a people. They have not been deterred by the military and technological superiority of the Soviet forces or by the violence that these forces have used without restraint against the population of Afghanistan. On the contrary, fully three-quarters of the Afghan countryside and populace and a third of the district capitals remain under the control of the resistance. Indeed, Moscow's efforts to subjugate Afghanistan have fostered a new sense of Afghan nationhood based partly on common ties to Islam and, increasingly, on the Afghan nation's unbending determination to resist Soviet aggression and domination.

Nothing more clearly illuminates the aggressive nature of the invasion of Afghanistan and the utter fraudulence of the Soviet arguments defending the invasion than the universal revulsion this action has occasioned among the Afghan people. Had the reaction of the Afghan people been different—had they, for example, welcomed the Soviet troops as liberators—then surely the judgment of the international community regarding the Soviet action would, and should, be different. The norms embodied in the U.N. Charter become meaningful in their application to specific situations. It is not possible to distinguish between the lawful and the criminal use of force without first carefully examining the reasons for the use of force, the manner and duration of its use and the result.

In this respect, the use of force by the Soviet Union in Afghanistan is without legal foundation and lacks any reasonable moral or political justification. As we have already seen, the use of force by the Soviet Union was not undertaken at the request of any lawful authority within Afghanistan and resulted, in fact, in the murder of the existing president. Similarly, the countries of the region neither requested nor welcomed the action but regarded it as a blatant act of aggression and a threat to their own security and to regional stability. Nor was there evidence of any foreign involvement in Afghanistan posing a threat to Soviet security. Moreover, the Soviet action could not be justified in terms of liberating the Afghan people from internal oppression or alien domination. As the attitude and the actions of the Afghan people clearly demonstrate, the Soviet Union is an oppressor and a foreign aggressor, not a liberator. There are no reports of Afghans welcoming Soviet forces with cries of "God bless Andropov."

On all other counts, the Soviet invasion violates the norms of international law and the fundamental principles of the U.N. Charter. The Soviet Union has used force without restraint and without regard to civilian casualties. On the contrary, it has deliberately attacked the civilian population in an effort to depopulate areas of resistance strength. Nor has it allowed the International Committee of the Red Cross or any other international humanitarian

[50] Reference presumably is to the section on Afghanistan in *Amnesty International Report, 1983* (London, 1983), pp. 183–185.

organization to establish a presence in Afghanistan or to fulfill its international function. It has not only forbidden such organizations to work in Afghanistan; it has deliberately bombed hospitals established by French doctors in an effort to drive them out of the country.

Regarding the duration of the Soviet presence in Afghanistan, the Soviet forces have already been there for 4 years, and Moscow gives no sign that it has any intention of withdrawing these forces in the foreseeable future. Finally, the result of the Soviet invasion is the clear and unambiguous denial of the right of the people of Afghanistan to self-determination. The argument put forward by Moscow that the Afghan people exercised their right of self-determination through the so-called Great Saur Revolution of April 1978, thus precluding the need for free elections, is ludicrous on the face of it. The argument is meaningful only to the extent that it reveals Moscow's Orwellian interpretation of self-determination as absorption into the Soviet Empire.

A careful examination of these issues not only helps clarify the illegal and, indeed, the immoral character of the Soviet invasion of Afghanistan but also exposes as intellectually pernicious and morally obfuscating any equation of this invasion with the rescue operation undertaken by the United States and six Caribbean nations in Grenada. I have no intention of discussing the issue of Grenada at this time beyond noting that on each and every point mentioned above—the attitude of the people concerned, the legal authority of the action undertaken, the stability and security of the region, the clear threat posed by foreign involvement, the effort to avoid civilian casualties, cooperation with humanitarian agencies, the announced intention to withdraw forces with deliberate speed and by a date certain, the intention to hold free elections in a manner consistent with the principle of self-determination, as well as the additional factor of the safety of innocent U.S. civilians whose lives were endangered—on all of these points and more, Grenada was as different from Afghanistan as day is from night, as liberation from enslavement, as independence from subjugation.

The failure to make such distinctions will not, as some may feel, preserve the integrity of the principle of non-use of force. Rather, it will undermine international law as an instrument for the resolution of conflict in a manner consistent with the purposes and principles of the U.N. Charter.

It is on the basis of these purposes and principles that we support the resolution before us today.[51] This resolution outlines a fair and comprehensive solution to the situation in Afghanistan. It calls for the complete withdrawal of foreign troops from Afghanistan; the right of the Afghan people to choose their own form of government; the restoration of Afghanistan's political independence and nonaligned status; and the rights of the refugees to return to their homes in safety and honor.

My government supports these principles. It supports as well the search for a negotiated political settlement to end the tragedy the Afghan people now endure. We firmly believe that a peaceful settlement is possible, and we strongly support the efforts of the Secretary-General to find such a settlement. Indeed, the Secretary-General and his personal representative for Afghanistan negotiations, Diego Cordóvez, deserve to be commended for their sustained effort to bring about an end to the Soviet occupation of Afghanistan. We have been pleased to hear of the progress made in the U.N. talks, and my government will continue to support them in the context of the four fundamental principles outlined in the resolution before us today. The Soviet Union, and it alone, can insure the success of these talks by committing itself to a timetable for the total withdrawal of its troops from Afghanistan.

The elements for a fair and just settlement are in place. They have been repeatedly endorsed by the large majority of nations. The world awaits a Soviet act of good faith. The world hopes for a peaceful and free Afghanistan—an Afghanistan in which the people of that country, and they alone, shall determine their country's destiny. Surely if any people in the world has earned the right to self-determination through courage, determination, sacrifice and faith, it is the people of Afghanistan. In an age of cynicism and unbelief, they are authentic heroes. For their courage and resilience, they deserve our admiration. For their just cause, they deserve our support. And for their defense of rights which all people cherish and which constitute the foundation of world peace, they deserve our undying gratitude.

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[51] *Infra.*

Document 420

Resolution 38/29, Adopted by the U.N. General Assembly, November 23, 1983 [52]

The Situation in Afghanistan and Its Implications for International Peace and Security

The General Assembly,

Having considered the item entitled "The situation in Afghanistan and its implications for international peace and security",

Recalling its resolutions ES-6/2 of 14 January 1980, [53] 35/37 of 20 November 1980, [54] 36/34 of 18 November 1981 [55] and 37/37, of 29 November 1982, [56]

Reaffirming the purposes and principles of the Charter of the United Nations and the obligation of all States to refrain in their international relations from the threat or use of force against the sovereignty, territorial integrity and political independence of any State,

Reaffirming further the inalienable right of all peoples to determine their own form of government and to choose their own economic, political and social system free from outside intervention, subversion, coercion or constraint of any kind whatsoever,

Gravely concerned at the continuing foreign armed intervention in Afghanistan, in contravention of the above principles, and its serious implications for international peace and security,

Noting the increasing concern of the international community over the continued and serious sufferings of the Afghan people and over the magnitude of social and economic problems posed to Pakistan and Iran by the presence on their soil of millions of Afghan refugees, and the continuing increase in their numbers,

Deeply conscious of the urgent need for a political solution of the grave situation in respect of Afghanistan,

Taking note of the report of the Secretary-General, [57] and the status of the diplomatic process initiated by him,

Recognizing the importance of the initiatives of the Organization of the Islamic Conference and the efforts of the Movement of Non-Aligned Countries for a political solution of the situation in respect of Afghanistan,

1. *Reiterates* that the preservation of the sovereignty, territorial integrity, political independence and non-aligned character of Afghanistan is essential for a peaceful solution of the problem;

2. *Reaffirms* the right of the Afghan people to determine their own form of government and to choose their economic, political and social system free from outside intervention, subversion, coercion or constraint of any kind whatsoever;

3. *Calls* for the immediate withdrawal of the foreign troops from Afghanistan;

4. *Calls upon* all parties concerned to work for the urgent achievement of a political solution, in accordance with the provisions of the present resolution, and the creation of the necessary conditions which would enable the Afghan refugees to return voluntarily to their homes in safety and honour;

5. *Renews its appeal* to all States and national and international organizations to continue to extend humanitarian relief assistance with a view to alleviating the hardship of the Afghan refugees, in co-ordination with the United Nations High Commissioner for Refugees;

6. *Expresses its appreciation and support* for the efforts and constructive steps taken by the Secretary-General, especially the diplomatic process initiated by him, in the search for a solution to the problem;

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[52] Source: U.N. General Assembly Resolution 38/29. This resolution was adopted at the 69th plenary meeting by a vote of 116 (including Iran, Pakistan, and the United States) to 20 (including Afghanistan and the Soviet Union), with 17 abstentions (including India).

[53] Printed in *American Foreign Policy: Basic Documents, 1977–1980*, pp. 831–832.

[54] Printed *ibid.*, pp. 884–885.

[55] Printed *ibid.: Current Documents, 1981*, pp. 847–848.

[56] Printed *ibid., 1982*, p. 917.

[57] See document 418.

7. *Requests* the Secretary-General to continue those efforts with a view to promoting a political solution, in accordance with the provisions of the present resolution, and the exploration of securing appropriate guarantees for the non-use of force, or threat of force, against the political independence, sovereignty, territorial integrity and security of all neighbouring States, on the basis of mutual guarantees and strict non-interference in each other's internal affairs and with full regard for the principles of the Charter of the United Nations;

8. *Requests* the Secretary-General to keep Member States and the Security Council concurrently informed of progress towards the implementation of the present resolution and to submit to Member States a report on the situation at the earliest appropriate opportunity;

9. *Decides* to include in the provisional agenda of its thirty-ninth session the item entitled "The situation in Afghanistan and its implications for international peace and security".

Document 421

Transcript of a Department of State Press Briefing, December 9, 1983 (Extracts) [58]

U.S. Strategic Interest "To Have Soviet Troops Removed Back Within the Soviet Union's Borders"

. . . . . .

Let me say something now about U.S. policy.

As I implied at the outset, the United States does not accept Soviet control of Afghanistan. Our policy goal remains to get the Soviet troops out because we believe it suits the strategic interests of ourselves and our friends to have Soviet troops removed back within the Soviet Union's borders. Both our bilateral and multilateral diplomatic activities are designed to move the Soviets toward a negotiated settlement.

We have repeatedly told the Soviets in our bilateral contacts that their occupation of Afghanistan remains a serious impediment to the improvement of relations with us, and with many other countries as well.

In the multilateral arena, we supported Pakistani efforts at the U.N. General Assembly last month to obtain the overwhelming passage of yet another (the 5th) resolution on Afghanistan. [59] The vote was 116 to 20, with 17 abstentions. This is equal to the highest vote ever, which was recorded in 1982. The resolution calls for the withdrawal of Soviet troops, the independent and nonaligned status of Afghanistan, self-determination for the Afghan people, and the return of the refugees with safety and honor.

As regards self-determination, we have not said how this must come about, but simply that the Afghan people must be allowed to determine the type of government they wish to have in Kabul.

We are glad that consultations in the U.N. process of indirect talks on Afghanistan will continue. After providing some hope that a political settlement might be possible following last April's session in Geneva, the indirect talks ran up against hard reality in the later June session in Geneva, when the Soviets were unwilling to give a definite timeframe for the withdrawal of their troops.

At the end of the summer, the talks appeared stalled, but the United Nations announced last week that more active discussions will be resumed early next year. [60]

We support U.N. efforts to develop a negotiated solution and hope they will prove successful.

However, Soviet willingness to withdraw from Afghanistan remains problematical. Current Soviet policy toward Afghanistan

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[58] Source: Office of Press Relations, Department of State. The special briefing, which was conducted by Howard B. Schaffer, Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs, and Thomas Gouttierre, Director, Center for Afghanistan Studies, University of Nebraska at Omaha, began at 3 p.m.

[59] *Supra.*

[60] The statement of November 30, 1983, by the Spokesman for the U.N. Secretary-General, Javier Pérez de Cuéllar, on continuing the U.N. diplomatic process on the Afghanistan situation is in U.N. document SG/SM/3494 (SG/1832).

makes it appear that the Soviets intend to stay for a long time.

They're maintaining current troop levels, they're improving the military infrastructure, they're continuing the Sovietization of Afghan society, and they're attempting to wear down civilian support for the resistance.

Nonetheless, the *mujahidin* persevere. The struggle continues, and the United States maintains its admiration and moral support of the Afghan resistance. Their stand for freedom and independence is an inspiration to all of us.

. . . . . .

Q. Besides you're saying that we want to get the Soviet troops out of Afghanistan, what are any of the substantial significant political, economic and diplomatic efforts you have been doing recently which could put forth the efforts that you are doing in the last 3, 4 years to bring about the evacuation of the troops from Afghanistan?

MR. SCHAFFER. We have been moving on several fronts. As you know, as I mentioned, we have been giving strong support to the efforts being made by the U.N. Secretary-General's special representative, Diego Cordóvez, in trying to bring about a peaceful solution to the Afghan problem through indirect talks between the Pakistanis and the Karmal regime in Kabul.

We have also given strong support to the U.N. General Assembly resolution which, as I mentioned, was passed with an overwhelming vote.

I think you can also look at the efforts we have made through our economic and military assitance programs to bolster Pakistan as it faces the challenge of the Soviets on its border. And as it leads the fight in the diplomatic effort in the U.N. General Assembly, in the Islamic forum, and elsewhere to keep the Afghanistan issue before the world and to call through these diplomatic and public efforts on the Soviets to get out.

So these are some of the efforts which are being made. And I must say, and one of the purposes in my talking to you today and our holding this Afghanistan Conference next week, [61] is to do all that we can to keep the Afghanistan issue in the international eye, and in the eye of our own public here.

We don't want this to become a forgotten war. That's what the Soviets would like. They would like the world to forget about Afghanistan so they can carry out their programs and turn it into a docile Communist country, something they clearly have not be able to do up until now.

I must say also that we have had direct contacts with the Soviet Union. We have made it very clear to the Soviets that Afghanistan is an important issue in deterring an improvement in U.S.-Soviet relations. We have made it clear to them, most recently when the Secretary wrote to Foreign Minister Gromyko in May [62] that we seek a peaceful settlement in Afghanistan, and that we support the U.N. diplomatic process which Mr. Cordóvez, with considerable effort, has been pursuing.

Regrettably, the Soviet response has been uniformally unhelpful, unfavorable.

Q. What do you anticipate in 1984—a continuation of the present policies or will there be some new initiatives by the United States, by the Pakistanis, or by the Afghan resistance? Is time on the side of the resistance or is it not with the Soviets in the effort?

A. It's hard to say where time comes out on this one. Quite clearly, the Soviets have long felt that time was on their side; that the world, as I said, would forget all about Afghanistan and that, over time, they could Sovietize Afghan society while the world forgot.

I think the trend of the last year has been at least slowly in the direction of the *mujahidin*. But let's not kid ourselves; the *mujahidin* are not going to be able to drive the Soviets out of Afghanistan. That's quite clear.

As far as other diplomatic efforts are concerned, the United Nations has announced that Cordóvez will resume his shuttle diplomacy, probably in April.

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[61] Dean Thomas Gouttierre chaired the Forum on Afghanistan held in the Loy Henderson Conference Room at the Department of State, December 12–13, 1983.

[62] See document 413.

The key issue there, though, is whether the Soviets are prepared to show greater flexibility and a real interest in finding a negotiated solution than they have been up until now. The key point on that particular issue is this one already referred to about their willingness to agree within this framework of a negotiated settlement, to a particular timeframe for the withdrawal of their troops; actual dates. That they will start on "X" day and they will be out by "X" plus "Y". They've not been willing to do that.

I can't be optimistic that they're going to. I think that the U.N. effort, though, is the best thing that is going now. And, as I've said, we strongly support it because it is consistent with the UNGA resolutions that we and the vast majority of other countries, nonaligned, Western, have supported over the years.

. . . . . .

Q. What's the latest on the use of chemical weapons in Afghanistan?

MR. SCHAFFER. Let me give you a statement on that because I want to be sure that you have it right.

In November of '82, Secretary Shultz sent an updated report to Congress on chemical warfare in Southeast Asia and Afghanistan.[63] That report on Soviet use of chemical and toxin weapons worldwide contained new evidence of their use by the Soviets in Afghanistan.

This evidence included a contaminated Soviet gas mask which came out of Afghanistan and which showed the presence of deadly trichothecene/mycotoxins, that yellow rain.

In other words, the suspicions that we had before that time had been confirmed. We had physical proof that toxin weapons, in addition to chemical weapons, had been used by Soviet forces in Afghanistan.

In the most recent State Department report on CBW, submitted to the Secretary-General of the United Nations on August 4,[64] the evidence dealt with blood samples from Laos and Kampuchea.

We continue to receive reports of the use of agents in Afghanistan, and the examination of samples continues. Detailed analysis of all information gathered in Afghanistan in 1983 is not yet complete.

Q. How much aid is the United States giving the rebels, and are you considering increasing it?

MR. SCHAFFER. The rebels themselves, the *mujahidin* themselves, say that much of the arms that they acquire come from within the country. They're acquired in part from desertions, many desertions, from the Kabul-regime army. As before, I've got to follow the policy of not commenting on arms which might come into Afghanistan from wherever.

Q. Any rough estimate of the Soviets expending dollars, roubles, on an annual basis by maintaining their forces, fighting this guerrilla war, in Afghanistan?

MR. SCHAFFER. The figure I have is that it has cost them in 4 years of war something on the order of $12 billion. And I think the trend is upward. Let me ask the experts about that. (A staff aide nodded.) Yes. The trend is upward, but that's the figure we've been using.

Q. What is the significance for the Soviet Union of holding onto Afghanistan? Is it to reach the warm waters of the Arabian Gulf, or what? Is it a way of seeping through that area, or what do you see as their strategy of being there?

MR. SCHAFFER. I think there are various points of view on that, and a great deal has been written as to whether they see Afghanistan as a stepping stone to broader conquests in the area, or whether their invasion and their remaining in the country is basically motivated by considerations having to do with Afghanistan itself.

I think the important point, though, is that they are in Afghanistan; that as long as they remain there, it causes a major challenge to the stability of the whole area; that it has potential for Soviet use beyond the borders of Afghanistan. It puts pressure on Pakistan, it puts pressure on other parts of that area.

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[63] Extracts of Secretary Shultz's report, entitled "Chemical Warfare in Southeast Asia and Afghanistan: An Update," are printed in *American Foreign Policy: Current Documents, 1982*, pp. 918 and 1019.

[64] See document 458.

I'll stop there. Whole books have been written about this subject, but I think that's basically the way we see it.

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Q. To what extent are the other Moslem states, and particularly Iran, helping the *mujahidin*, and the refugees that are coming out?

MR. SCHAFFER. Pakistan, of course, is the major contributor to assistance to the refugees and has done amazing work, I think, in running the camps in providing the variety of assistance, especially given the fact that it is, itself, such a poor country.

The organization of the Islamic conference which has just been meeting in Dacca in Bangladesh, has once again passed a resolution calling for the departure of foreign troops from Afghanistan. [65]

The Muslim world has been very much interested in this matter. I think they regard Afghanistan as a Muslim country which has been attacked by an outsider, and they have been, led by Pakistan, in the forefront of those calling for the world not to forget it and to continue to demand the Soviet exit.

Q. Without getting involved in the specifics of where the resistance fighters' weapons are coming from, are we at all concerned about their lack of adequate air defense, portable air defense weapons?

MR. SCHAFFER. I think they're doing very well with the heavy machine guns that they've got. Obviously, all resistance leaders are looking for the perfect weapon to use. I think that's about all I can say on that subject.

Q. Because your own report last year [66] indicated that the government had pretty well closed off the source of supply from the Afghan side, Afghan Government side, by impounding those weapons.

MR. SCHAFFER. I can again call your attention to the fact that in '83 the Soviet losses, both of fixed-wing aircraft and helicopters, has been significantly higher than in '82.

Q. Mr. Schaffer, I can't help but ask you this question: There were reports in the media in the last few months that the freedom fighters, the *mujahidin*, the resistance movement itself is almost in disarray because they cannot get their act together in trying to make a solidarity fight and strong unit or force to be worthwhile in their attempts to penetrate through the Russian encampment there. What do you comment on that?

MR. SCHAFFER. Lack of unity has always been a problem for the Afghanistan resistance. It's been a problem both in Afghanistan in waging the war and outside the country in presenting Afghanistan's position to the international community.

Recently there have been indications of a greater degree of cooperation among different *mujahidin* groups within Afghanistan, though turf battles continue, some of them we suspect prompted by the regime.

Nonetheless, I think the trend is in the right direction. Outside of the most recent efforts to bring about greater cohesion and hopefully unity have centered on the person of the former king of Afghanistan, Zahir Shah, who reigned in Kabul until 1973.

We have certainly on our part done what we could to encourage efforts to build greater unity, greater cohesion, among the different forces. We hope these will continue. Clearly, it's not up to the United States or, for that matter, any other outside power to decide who should take the lead, but we have tried in a quiet way to encourage the Afghans in that direction.

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[65] The Foreign Ministers of the Organization of Islamic Conference which met at Dhaka, December 6–11, 1983, adopted a Pakistan-sponsored resolution on Afghanistan.

[66] Not further identified.

Document 422

Statement by President Reagan, Los Angeles, December 27, 1983 [67]

Fourth Anniversary of the Soviet Invasion of Afghanistan

While Americans are thankful for the blessing of peace at home this holiday season, we do not forget that the tragic war in Afghanistan continues. For 4 long years the Soviet Union has occupied that unhappy land. But for 4 long years the brave Afghan people have held the might of a Soviet occupation force at bay. These Islamic fighters in a faraway land have given new meaning to the words courage, determination and strength. They have set the standard for those who value freedom and independence everywhere in the world.

Afghanistan's freedom fighters—the resistance or *mujahidin*—represent an indigenous movement that swept through their mountainous land to challenge a foreign military power threatening their religion and their very way of life. With little in the way of arms or organization, the vast majority of the Afghan people have demonstrated that they will not be dominated, and that they are prepared to give their lives for independence and freedom. The price they have so willingly paid is incalculable.

While we will continue to do our part to maintain and improve the U.S.-Soviet dialog, we cannot remain silent on the tragedy of Afghanistan. There should be no misunderstanding that the Soviet occupation of Afghanistan has created serious international tensions. It is not only the Afghans themselves who oppose the Soviet occupation of their country, but virtually the entire world community. This has been demonstrated time and again in five consecutive votes of the U.N. General Assembly, when resounding majorities of the world's nations called upon the Soviet Union to end its occupation and restore the independence and nonaligned status of Afghanistan. In fact, the most recent U.N. resolution was adopted on November 23 by the largest vote yet: 116 to 20. [68]

Early this year, [69] I had the privilege of receiving in my office a group of six Afghan freedom fighters. I was moved by their simple dignity and pride and their determination to continue their struggle for independence. These brave individuals have returned to the fight.

The struggle for a free Afghanistan continues. This is not because of any outside manipulation, but because of the Afghan people's own desire to be free. And their struggle will continue until a negotiated political settlement can be found to allow the Afghan people to determine their own destiny.

Our goal is to do everything we can to help bring about a peaceful solution which removes the Soviet forces from Afghanistan, ends the agony and destruction of the Afghan nation, and restores that country's independence and nonalignment. Clearly, a neutral and nonaligned Afghanistan would not be a threat to its huge Soviet neighbor.

Thus, we mark the fourth anniversary of the Soviet invasion with sadness and continued indignation. But we are convinced that a settlement is possible, and we are glad that consultations in the U.N. process of indirect talks will go on. We call upon the Soviet Union to reach a settlement of the crisis which restores the freedom, independence and nonalignment of Afghanistan.

Let all of us who live in lands of freedom, along with those who dream of doing so, take inspiration from the spirit and courage of the Afghan patriots. Let us resolve that their quest for freedom will prevail, and that Afghanistan will become, once again, an independent member of the family of nations.

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[67] Source: White House Press Release, December 27, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, January 2, 1984, p. 1748. President and Mrs. Reagan visited Los Angeles, December 27–29, 1983, staying at the Century Plaza Hotel.

[68] See document 420.

[69] February 2, 1983; for further information and a photograph of the meeting, see Department of State *Bulletin*, March 1983, p. 87.

Document 423

Paper Prepared by the Bureau of Intelligence and Research, Department of State, December 1983 [70]

Afghanistan: Four Years of Occupation

Overview

Four years after Soviet troops invaded Afghanistan neither a political nor a military solution seems likely in the near future. The Afghan resistance shows no sign of weakening or loss of popular support. The country-wide insurgency continues and the *mujahidin* deny the Soviets military success.

During 1983 resistance operations against Soviet/regime forces have become more effective even in urban areas. Tactical cooperation has increased among resistance groups and most of the country's land area remains under resistance control. Typically, once Soviet/regime sweep operations have been completed, areas return to *mujahidin* control. Major problems of supply and disunity remain, however, and resistance forces are unlikely to be able militarily to eject the Soviets from Afghanistan.

Despite some optimism following the April round of indirect negotiations in Geneva that the parties might be able to work out a settlement, the U.N.-sponsored negotiations among the concerned parties have thus far not made significant progress because of Moscow's unwillingness to set a timetable for the withdrawal of its forces. The Soviet Union appears committed to a strategy of attempting to wear down the resistance militarily, gaining control of urban areas, and remodeling the Afghan political and social structure in its own image. Soviet troop strength remains at approximately 105,000.

Afghanistan's internal problems have multiplied as the regime remains factionally divided and as Soviet control deepens. During 1983 economic and administrative chaos increased. The war has severely damaged Afghanistan's social and economic infrastructure, causing major declines in social services, agricultural production, and industrial output. Afghanistan is becoming more dependent upon outside food sources, and its economy is ever more dependent upon Soviet aid.

Significant declines in security in both urban and rural areas have led to increased Soviet use of KHAD—*Khedamati-i-Etal'at-i-Dolati*, the Afghan intelligence and security organization. KHAD is being greatly expanded but has been ineffective in promoting loyalty to the regime.

Intense Soviet efforts to fashion the Afghan military into an effective force also have failed and the people are increasingly alienated by forced conscription drives. Soviet frustration over inability to stop resistance activities has led in recent months to a deliberate policy of increased brutality and reprisals against the civilian population.

The refugee problem continues to grow. Between one-fifth and one-fourth of Afghanistan's pre-1979 population now lives outside its borders, mainly in Pakistan and Iran. The U.N. High Commissioner for Refugees (UNHCR), the World Food Program (WFP), and a variety of voluntary agencies and governments, including the United States, assist Pakistan in caring for these refugees—the vast majority of whom are determined to return to their homeland when it is freed from foreign occupation.

U.S. policy goals for Afghanistan remain the same. We seek the earliest possible negotiated political settlement in Afghanistan to effect the withdrawal of Soviet forces and end the agony of the Afghan people. Such a settlement must also provide for the other three requirements spelled out in five U.N. resolutions on Afghanistan: the independent and nonaligned status of Afghanistan, self-determination of the Afghan people, and the return of the refugees with safety and honor. The United States supports the U.N. negotiating efforts to achieve these goals.

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[70] Source: "Afghanistan: Four Years of Occupation," Department of State Special Report No. 112, December 1983, pp. 1–8; printed also in Department of State *Bulletin*, January 1984, pp. 73–79. This paper, drafted by Lillian Harris, a political analyst in the Office of Analysis for Near East and South Asia, was a sequel to four reports by Eliza Van Hollen of the same Office on Soviet occupation of Afghanistan, printed *ibid.*, March 1981, pp. 18–22; October 1981, pp. 63–65; March 1982, pp. 18–29; and February 1983, pp. 53–62.

The Soviet Occupation

In 1983 the military struggle for Afghanistan continued unabated. As before, the Soviets concentrated on building up key logistical bases, securing Kabul and other major cities, improving security for lines of communication, and controlling infiltration routes across the Pakistani and Iranian borders. During the year, no major changes occurred in the size or composition of Soviet forces committed to Afghanistan. The total number remains at about 105,000 Soviet troops in Afghanistan with some 30,000 additional men on the Soviet side of the border.

Throughout 1983 Soviet/Afghan forces regularly conducted multibattalion operations designed to interrupt resistance supply lines and respond to reports of *mujahidin* concentrations, but these efforts have not significantly affected *mujahidin* activity. The resistance has been remarkably resilient, and the *mujahidin* today are stronger and better equipped than ever before. They have an extensive intelligence capability and regularly learn in advance about Soviet/Afghan operations from sympathizers in the Afghan military.

Large areas of the country remain under resistance control, and even in principal cities Soviet/Afghan control is being increasingly challenged. Throughout the year the resistance has dramatically demonstrated its ability to extend the war into the capital by regularly conducting operations inside Kabul and its suburbs. During the winter months, Kabul's electricity supply was a principal target of the *mujahidin*. Power cuts lasting several days were caused by destruction of the power lines leading from power stations outside Kabul, confronting the capital with an energy crisis unprecedented in the 4 years of Soviet occupation. Frequently, only the Pule Charki thermal power station located on the outskirts of Kabul could be relied upon, but its capacity was limited due to repeated interdiction of fuel supplies from Termez on the Afghan/Soviet border. A key petroleum pipeline which services Kabul and the major Soviet airbase at Bagram, 50 km north of Kabul, has been sabotaged so often that it is no longer dependable as a regular source of fuel.

During the summer, Marshal S.L. Sokolov, the Soviet first deputy defense minister, returned to Afghanistan for another inspection tour. Following his previous visit in late 1981, the Soviets significantly stepped up their military operations and increased their troop strength. While there has been no discernible increase of troops or step-up in operations this year, Sokolov's latest visit clearly reflected the Soviet leadership's concern about the progress of the war. The upsurge in reprisals against civilians also appears to reflect growing frustration over failure to stem the resistance.

During the summer, the level of fighting in Kabul was also significantly higher than last year. In mid-June, a few days before resumption of the U.N.-sponsored indirect negotiations, the *mujahidin* staged a night-long attack against the Soviet-manned Bala Hissar fortress and attacked a Soviet command post near the Darulaman Palace. The attacks resumed in early July with a successful rocket attack on Kabul airport that damaged military and civilian aircraft.

On the night of August 13–14, the *mujahidin* staged the most ambitious operation in the capital since the Soviet invasion. Using coordinated rocket, mortar, and small arms fire, they attacked Radio Afghanistan, a Soviet residential complex, and the Bala Hissar fortress. On October 1 the *mujahidin* brought the Soviet Embassy in Kabul under attack for several hours. These incidents, involving some of the most heavily guarded and important installations in the city, along with bombings and frequent assassinations of regime officials, underscore the tenuous government control in Kabul.

In a move to demonstrate the regime's control of the capital, on September 28 Babrak Karmal conducted a highly publicized walking tour of Kabul. That he felt compelled to undertake such a step and the elaborate security precautions necessary to carry it out, only served to further highlight the strength of the resistance.

Large sections of the cities of Qandahar, Mazar-e Sharif, and Herat likewise remain in the hands of the resistance. Movement of regime personnel into many areas of these cities is possible only with substantial military support and during daylight hours. In April, in response to *mujahidin* attacks, the Soviets conducted heavy bombing and shelling of the western suburbs of Herat. As many as 50 planes a day flew missions over the city, causing extensive damage and resulting in several thousand civilian casualties. This savage bombing of Herat and the surrounding villages,

however, brought no improvement in the government's security situation. Even daylight resistance operations in Herat are not uncommon, and fighting in and around the city takes place every night.

Throughout the year, Soviet/Afghan forces also have been repeatedly attacked in and around Qandahar, the country's second largest city. An incident in late August vividly demonstrated the regime's limited control there. The day following a regime speech proclaiming that the power of the "counter-revolutionaries" had been broken in that city, *mujahidin* from Qandahar and the countryside appeared on rooftops around government installations in the city center and at many military posts surrounding the city. For several hours they taunted regime soldiers through loud speakers and exhorted them to defect.

In recent months, even in Jalalabad, which has been one of the most secure cities in Afghanistan, the situation has eroded with frequent attacks on the airfield. Similarly, the regime faces resistance in northern Afghanistan. Mazar-e Sharif has been subjected to repeated *mujahidin* attacks. In September, an attack against the airfield outside the city caused extensive damage.

In late April and early May, following a deterioration of security in Paktia and Paktika Provinces, which lie astride supply lines from Pakistan, a major Soviet/Afghan offensive was launched. The operation, involving some 10–15,000 government forces, was designed to relieve pressure on several Afghan cantonments that were under *mujahidin* pressure and could be resupplied only by air. A Soviet-trained elite Afghan unit, the 38th Commando Brigade, was decimated near the town of Urgun. One battalion was wiped out, and the remainder of the unit deserted to the resistance. This defeat represented a major setback to Soviet efforts to reconstruct the Afghan army.

In late summer, the *mujahidin* again stepped up pressure in Paktia and Paktika Provinces. During August and September many isolated government outposts in these provinces deserted or were overrun. Major cantonments at Urgun, Khowst, and Jaji Maidan were brought under siege. Although no important towns fell to the *mujahidin* during the September attacks, the fighting highlighted the growing strength of the resistance in this region and reflected increasing tactical coordination among *mujahidin* bands inside Afghanistan.

This past year has been marked by increased *mujahidin* success in convoy interdiction. Resistance efforts in Paktia and Paktika Provinces were significantly boosted by the interdiction of Soviet and regime resupply convoys traveling through the Lowgar Valley. Although additional government military posts have been set up along the major highways to protect the convoys, the *mujahidin* have proven increasingly skilled in the use of mines and in preventing convoy movement. The road through the Lowgar Valley—which begins just south of Kabul and is the primary land route from Kabul to Paktia and Paktika Provinces—has been a particular problem for the Soviets. Soviet/Afghan convoys were repeatedly ambushed with heavy losses, often forcing the convoys to return to Kabul. Security in the Shomali region south of the Salang Tunnel on the road to Kabul also has posed a major problem for the Soviets. Traffic through this area, the principal line of communication between the Soviet border and Kabul, is often halted for days.

The insurgents likewise have become more efficient this year in combating Soviet air power—Moscow's most effective weapon. Using heavy machineguns, the *mujahidin* have become adept at downing Soviet MiGs and helicopters. The resistance has capably employed heavy machineguns during attacks on convoys and claims its successes have forced Soviet/regime helicopters to fly at high altitudes, thus reducing their ability to support the ground forces. Although there have been isolated reports of surface-to-air missiles in the hands of the resistance, such weapons are still limited. The presence of a few missiles, however, is sufficient to compel Soviet/Afghan pilots to be more cautious.

A disturbing trend has been the increasing use of reprisal attacks in response to *mujahidin* successes. The level of violence against the civilian population by Soviet firepower has reached new heights. Attacks against Soviet convoys have led to the destruction of nearby villages, cultivated fields and orchards, and the execution of male inhabitants. In July, Soviet forces executed 20–30 elders in the provincial capital of Ghazni in reprisal for the deaths of several Soviet personnel. In October, following a series of hit-and-run attacks on convoys outside Qandahar, reprisals were

launched against villages in the area resulting in significant destruction and the deaths of some 100 civilians.

In the Shomali region, the sustained bombing of villages has created virtual free-fire zones along the highway. The vineyards and orchards of what was once the showcase of Afghan agriculture have suffered irreparable damage from repeated Soviet attacks. In late October during a Soviet/Afghan operation in the Shomali, at least half of the historic town of Istalef was leveled by aerial bombardment and artillery shellings in reprisal for Soviet losses in the area. Civilian casualties totaled several hundred—women and children were bayoneted and village elders shot.

Negotiations and Cease-fire

A new tactic adopted this past year has been the attempted negotiation of cease-fires between resistance groups and the Soviets. While many have quickly broken down, one prolonged highly publicized cease-fire was in the Panjsher Valley—which opens onto the vital Salang pass route between Kabul and the Soviet border. The Panjsher truce, arranged between the *mujahidin* leader Mahsud and the Soviets without the participation of the Karmal government, reveals the strengths and weaknesses of both the Soviets and the resistance.

The Panjsher cease-fire began in March and officially ended in August, but the valley remains quiet. Coming after six large-scale and costly Soviet Panjsher Valley campaigns over the past 3 years, the truce promised to free Soviet troops for duty elsewhere by reducing the Soviet presence in the valley to token level. At the same time, it provided Mahsud an opportunity to consolidate his position and develop his logistical and economic base and harvest a vital food crop. This cease-fire has also enabled Mahsud to resupply and train his forces and to expand his organization and operations well beyond the Panjsher Valley. In recent months Mahsud's forces have been conducting operations outside the valley in Konduz, Paghman, and the Shomali region.

Soviet Casualties and POWs

Soviet casualties since December 1979 now total at least 17–20,000 killed and wounded. General dissatisfaction with conditions in Afghanistan have prompted a number of Soviet troops to desert. Accounts of indiscipline, drug usage, and black marketing—including the sale of weapons and ammunition—are numerous.

In the early period of the Afghanistan war, there were very few prisoners taken on either side, but now various resistance groups hold Soviet prisoners of war. In 1982 the International Committee of the Red Cross (ICRC) was able to work out an agreement among the Karmal regime, the Soviet Union, Pakistan, Switzerland, and the Afghan resistance whereby Soviet prisoners of war captured in Afghanistan and held by the resistance would be taken to Switzerland for internment for 2 years. At the end of their internment, the prisoners would be turned over to the ICRC by the Swiss Government for repatriation. In February 1983 the president of the ICRC [71] told the press that the ICRC would not participate in the forced repatriation to the U.S.S.R. of Soviet prisoners interned in Switzerland. In July one of the eight Soviet prisoners interned under this agreement escaped to West Germany where he is seeking political asylum. Another Soviet soldier arrived in Switzerland on October 28.

Two Soviet army privates from Afghanistan arrived in the United States as refugees on November 28. Their resettlement is being assisted by a private voluntary agency.

Popular Support for the Resistance

Popular support for the *mujahidin* remains high even though the fighting has brought destruction and reprisals on civilians, has disrupted social services and administration in most of the country, and has contributed to competition for food supplies. Local populations continue to provide the *mujahidin* with shelter, food, and recruits. Casualties among civilians and the resistance fighters have not reduced *mujahidin* activities, and morale remains high.

It is impossible to assess the exact number of *mujahidin* since the numbers fluctuate according to the season and in relationship to the level of Soviet operations in specific areas. Loosely organized in some six main organizations and several smaller groups, the resistance forces operating out of Peshawar are split into

[71] Alexandre Hay.

two alliances—the moderates and fundamentalists—both calling themselves the "Islamic Unity of Afghan Mujahidin." Despite ongoing efforts—mainly by groups in Peshawar—to promote unity, disagreements between groups, including armed attacks upon each other, are not infrequent.

Allegiance of the fighting groups operating in Afghanistan to headquarters in Peshawar is often flexible and contingent on a continuation of adequate supplies. In the past, only a few of the fundamentalist groups in Peshawar have exercised significant operational control over affiliated units in Afghanistan. However, the major *mujahidin* offensive in Paktia and Paktika Provinces during September and October was conducted by groups with direct links to Sayed Ahmad Gailani, leader of a moderate group in Peshawar.

Tactical cooperation among *mujahidin* groups inside Afghanistan has increased during this past year. This has been evident in the Shomali region and in attacks conducted inside the capital. Moreover, *mujahidin* operations in Paktia and Paktika Provinces have been supported by other resistance groups who have interdicted Soviet/regime convoys traveling through the Lowgar Valley.

While the *mujahidin* have demonstrated increasing military effectiveness and cooperation this year, the resistance is still plagued by internal divisions and factional fighting. No nationwide resistance organization has yet evolved that is capable of coordinating activities throughout the country, and progress toward organizational and logistical coordination is slowed by serious territorial and ideological rivalries.

Both moderate and fundamentalist alliances have problems of organization. The spring of 1983 witnessed an effort to forestall the fragmentation of the Peshawar-based fundamentalist groups. In May, seven of these groups appointed Professor Abdul Rasal Sayaf, the leader of a minor group, to a 2-year alliance presidency. Despite this mediation, however, internal strains continue within the fundamentalist alliance as some groups accuse others of being more interested in expanding their own power bases than in fighting the Soviets.

Supply shortage remains another serious problem for the resistance. Although small arms appear to be available in sufficient numbers, ammunition, medicines, and frequently food are sometimes critically short. Resistance leaders frequently mention to the media and others the need for increased supplies of heavy machineguns and weapons such as mines and rocket grenades for use against armored vehicles. Nonetheless, this year the resistance has registered a higher kill ratio against Soviet aircraft, increased ability to challenge the Soviet policy of urban control, and continued success in operations against Soviet bases and supply lines.

Participation of Iranian-based Afghans in the resistance has also increased in recent months, although the Iranian Government exercises tight control over cross-border activities. The primary beneficiaries of the limited Iranian support have been the Shia groups in Afghanistan.

The most dramatic new development this year, involving an initiative to organize the resistance more effectively, was an appeal by ex-King Zahir Shah in June concerning the need to create a united organization capable of speaking on behalf of the Afghan people. The timing of the ex-king's announcement stemmed from growing concerns that representatives of the Afghan people have not been included in the U.N.-mediated indirect negotiations in Geneva and frustration over inability to create a united resistance organization. Zahir Shah expressed his willingness "to better coordinate our resistance activities and to better represent them in international conferences and activities." At the same time he also stated that he had no personal ambitions and did not want to reestablish the monarchy.

In August, following consultations with the ex-king, the three groups belonging to the moderate alliance announced the establishment of a "United Front for the Liberation of Afghanistan." Its sponsors called on Zahir Shah to "take necessary measures" to obtain international recognition of a 12-man committee set up to oversee implementation of the united front. The moderates hope that his involvement will provide a rallying point and give new visibility to the Afghan cause, thus increasing their effectiveness in the international arena.

Provisions were made for the accession of other resistance groups to the united front with the same rights as the founding members, thus leaving the door open to

participation by the fundamentalists. Although the latter have to date publicly eschewed involvement in any organization involving the ex-king, if Zahir Shah's initiative gains momentum, it could eventually receive some fundamentalist support.

Acceleration of the Government's Problems

As the Afghan resistance against Soviet occupation enters its fifth year, the Soviet-sponsored Babrak Karmal regime faces continued widespread popular dissatisfaction. Most observers feel that the regime could not survive without Soviet military support.

Attacks on Soviet and regime officials are common even in areas claimed to be under government control, and Soviet personnel need extremely tight personal security because of the constant threat of kidnaping and assassination. Increased Soviet brutality against civilians has, moreover, undermined the intense Soviet/regime propaganda campaign portraying the Soviets as peacekeepers and Karmal himself as a beloved and democractically chosen leader.

The Karmal regime has been unable to expand its influence beyond a small coterie of party loyalists, who themselves are divided into warring factions. Factionalism and corruption are serious obstacles for the regime, and steps by the dominant Parcham faction to heal the deep divisions within the party and promote a National Fatherland Front have not been successful. The 12th Party Plenum in early July revealed continuing rifts. Addressing the plenum, Karmal observed that previous decisions had not been fully implemented, a situation which he blamed on "lack of unity, disorganization, lack of ability, and fatalism."

Serious clashes have occurred between the Parcham and Khalq factions, including a confrontation in mid-August near Herat in which more than 100 persons were reported killed. In mid-May, an argument over a military promotion list favoring Parcham officers led to a violent altercation between Minister of Defense Abdul Qader and his Khalq deputy, Major General Khalilullah, who physically assaulted Qader.

Soviet dissatisfaction with Karmal over his inability to unite the warring factions also has surfaced. Rumors have abounded throughout much of the year that a major shift in leadership was imminent. A Cabinet reshuffle in October may have reflected an attempt to alleviate some of the intragovernmental strains. Open Soviet preference for the Parchamis could, however, exacerbate tensions in the party. In early 1983, for example, a money-market scandal involving Soviet advisers and high-level Parchamis was publicized by the Khalq faction in an effort to enhance its own position.

The Afghan intelligence and security organization, KHAD, has been largely ineffective in its efforts to counter the insurgency and ensure loyalty in the military and among the general populace, and its operations have added to the fear and distrust permeating Afghan society. KHAD responsibilities include counterinsurgency, military intelligence, security for Afghan VIPs and official installations, and foreign intelligence and covert action. Organized under Soviet direction, KHAD is designed to assist the Afghan communists in setting up the same kinds of party and government institutions used by the U.S.S.R. to control its own population. The Soviet presence pervades the KHAD leadership, and the KGB continues to play a significant role in training and operations.

KHAD, however, shares in the internecine Parcham-Khalq competition resulting in factionalism, fear, and incompetence within the organization itself. Intraparty violence, moreover, frequently overlaps with *mujahidin* operations and obscures responsibility for violent acts. Agents in the Parcham-dominated KHAD often provide information enabling the *mujahidin* to assassinate Khalq party members. The Khalqis play a reciprocal game with the Parchamis. KHAD activities also have contributed to the already low morale with the Afghan military.

It is widely believed in Pakistan that KHAD has sent its agents among refugees to foment discord in the camps and to stir up trouble between the refugees and their Pakistani hosts. Nearly 3 million Afghans now live in Pakistan; the inevitable conflicts over access to land, grazing rights, and social services make fertile ground for KHAD mischief. KHAD agents also are suspected of having infiltrated Afghan resistance organizations based in Peshawar to gain intelligence on *mujahidin* activities and to exacerbate divisions among the resistance groups. KHAD agents are believed to have fueled Shia-Sunni religious

conflicts, especially in border areas of Pakistan's Northwest Frontier Province where most of the refugees have settled, and to have supported the tribal Baluch separatist movement in Baluchistan Province.

In 1983 KHAD was significantly strengthened in an effort to exert greater control over the Afghan civilian population, particularly in the cities. The organization, which now includes between 15–20,000 personnel, is widely recognized as being responsible for prisoner interrogation. Amnesty International—which has appealed to Babrak Karmal to stop torture, arbitrary arrest, and secret trials which deny defendants the right of defense—issued a report in early November citing systematic torture of prisoners.[72] Based on interviews with ex-prisoners and their relatives, the Amnesty International report said those tortured include civil servants, teachers, teenage students, and persons arrested as a warning to others—as well as those actually associated with armed resistance to the regime.

The decline in security this year is only one aspect of Afghanistan's grave internal plight. Domestic opposition to the Soviet presence and to the Karmal regime also has accelerated the trend toward economic and administrative chaos which will take years to repair. The country's social and economic infrastructure has been decimated, and in 1983 the Afghan Government approached the International Monetary Fund seeking credits. Social services, agricultural production, and industrial output continue to suffer reverses, and inflation is estimated at around 20%–25%.

In a speech before the U.N. General Assembly (UNGA) on October 6, Afghanistan's Foreign Minister Mohammad Dost acknowledged the impact of resistance activity on the Afghan economy. He stated that "50 per cent of the country's schools, 14 per cent of our hospitals, 75 per cent of our public transportation vehicles, all communications cables and significant numbers of other public installations have been destroyed."[73] He noted that the damage to the economy totaled $287 million or roughly half of the total investment during the 20 years before the 1978 revolution.

The continued refugee exodus is another impediment to the functioning of social and educational services, as well as the business sector. Reduction of the work force by the continuing flight of refugees, particularly the middle class, has had a similarly negative impact. Shortages of raw materials and manpower as well as lack of security have forced many industrial units to close. *Mujahidin* operations, moreover, have damaged power facilities and disrupted the flow of petroleum products to urban areas. Most utility projects planned before the Soviet invasion remain uncompleted.

The Afghan economy is increasingly linked with the Soviet Union. In a recent speech at the military academy, Babrak Karmal indicated that the value of trade between the U.S.S.R. and Afghanistan will increase threefold between 1983 and 1987. He noted that more than half of the country's industrial output comes from facilities built with Soviet aid.

Despite other problems, the natural gas industry continues to function more or less normally, due in part to the proximity of the Sheberghan gas fields to the Soviet border. Babrak Karmal claims that revenues from the sale of natural gas amount to 40% of Afghanistan's total exports, but the figure is probably much higher. Afghanistan uses its revenues from gas sales to reduce its debt to the U.S.S.R. and as barter for Soviet machinery and other goods. Afghanistan also exports dried fruit, raisins, and skins and remains a major source of opium; trade in the latter commodity being conducted by Soviet soldiers, as well as by Afghan citizens.

The war's impact on agricultural production varies widely from province to province. Although the Soviet/regime forces have destroyed crops and depopu-

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[72] See Amnesty International USA, *Democratic Republic of Afghanistan: Background Briefing on Amnesty International's Concerns, October 1983* (New York, 1983), p. 9.

[73] The quotation is taken from excerpts of Afghan Foreign Minister Dost's statement before the U.N. General Assembly, October 6, 1983, printed in Foreign Broadcast Information Service, *Daily Report: South Asia*, October 18, 1983, p. C1. The U.N. General Assembly's provisional record of this part of Foreign Minister Dost's statement reads as follows: "half of all schools in the country, 50 percent of our hospitals, 14 percent of public-transport vehicles, 75 percent of all communication lines, a number of hydroelectric and thermal power installations of the country, and other public facilities have been destroyed." (U.N. document A/38/PV.21)

lated many food-producing areas near highways, the country has generally remained self-sufficient in food. Shortages have been experienced mainly in urban areas as a result of swelling urban populations and the interdiction of road transportation by the resistance. Kabul's population now stands at 1.8 million in contrast to 600,000 in 1979; as a result Kabul is increasingly dependent on imported foodstuffs such as wheat, cooking oil, and sugar. Other basic commodities, including medicines, also are generally in very short supply.

The Soviet Union has supplied food and other commodities to meet the basic needs of the cities. In November, for example, the Soviet Union announced agreement to provide Afghanistan with 20,000 tons of wheat immediately and a further 180,000 tons over the next year. According to official press reports from Kabul, half of the wheat would be given as a grant and the other half sold in Kabul in exchange for Afghan goods. This significant increase—115,000 tons of wheat were supplied from the Soviet Union in 1982 and 74,000 tons in 1981—illustrates both increased food shortages and growing reliance on the Soviet Union as a supplier. Although the food supply improved somewhat this year over 1982, a shortfall is again expected during the winter.

Problems in the Military

The Soviets have failed to rebuild the Afghan army, comprised of 40–50,000 men, into an effective military force. Its size is far short of the regime goal and far less than the 90,000 in the Afghan military in 1978. Morale and discipline remain low and the army continues to experience desertions at about the same rate as it gains new conscripts. Many conscripts, in fact, desert and are reconscripted repeatedly. The desertion rate—up to 80% reported in some units—is higher in the less secure and more contested areas of the country.

As a result of recruiting problems and desertions, reservists during 1983 were once again retained beyond their legal release date. Revised draft laws promulgated in August, in concert with a massive conscription drive, further reduced exemptions from military service and increased the flight of eligible men from the country or into rural areas. These latest changes have led to the recall of men who completed their military service as late as 1980. The regime employs the *talashi*—in which an entire village or section of a city is cordoned off and a house-to-house search conducted for conscripts, weapons, or *mujahidin*. Following an intensive conscription drive in Kabul during October, Interior Minister Gulabjoi protested that the drafting of recent reservists would severely disrupt the economy.

In addition to problems of low morale and inadequate training and equipment, the army suffers from lack of a skilled officer corps. Many senior officers were killed following the 1978 coup, and the army has been unable to fill this professional vacuum. As part of the effort to rebuild the Afghan armed forces, military personnel annually numbering in the thousands have been sent to the Soviet Union for training. In addition, Soviet advisers serve at all levels of the Afghan army. The Soviet presence has caused considerable problems. As in previous years, during 1983 there were instances of Afghan troops turning on their Soviet advisers.

The Afghan military, which is dominated by the Khalq faction, is further weakened by Khalq-Parcham animosity, with the Khalqis generally taking the view that the Parchamis have sold out to Moscow. The Parchamis in turn suspect the Khalqis of disloyalty and have moved to limit Khalq authority in the officer corps and the military schools.

Despite such problems, Moscow may still have ambitious long-range regional plans for the Afghan military. In 1982, in an interview published by the Yugoslav news agency Tanjug, Afghan Minister of Defense Abdul Qader asserted that the Afghan army will have a significant future role, similar to that played by the Cuban and Vietnamese armies. Tanjug also quoted a 1981 statement by Babrak Karmal that, "Not far away is the day when our army will become a strong and energetic army capable of defending peace and security not only in Afghanistan, but in the region as well."

The Refugees

At year's end 2.9 million Afghan refugees were in Pakistan, according to official Government of Pakistan figures, while an estimated 650,000 Afghan refugees were in Iran. (About 850,000 Afghans worked in Iran before 1979, bringing the present total of Afghans in Iran to roughly 1.5 million.) Before the Soviet invasion, some 14–17 million persons lived in Afghani-

stan, meaning that between one-fifth and one-fourth of the country's population has now been displaced outside its borders.

Although the refugee exodus has slowed down, it continues steadily, picking up when fighting becomes heavier or when food supplies are particularly scarce. This fall, for example, fighting in Paktia and Paktika Provinces caused a new flight into Pakistan's North Waziristan and Kurram Agencies along the Afghan border. A campaign by the Kabul regime to convince refugees that it is safe for them to return to Afghanistan has been a complete failure. Increasingly harsh Soviet reprisals against civilians suspected of collaborating with the *mujahidin* will no doubt increase the refugee flow into Pakistan and Iran.

In addition to those persons who have left Afghanistan, an undetermined number have been displaced within the country itself as fighting and destruction have driven people into urban areas. Since the Soviet invasion, the Kabul population, for example, has expanded by an estimated 1.2 million despite the exodus from the city of large numbers of businessmen and other professionals.

Loss of much of the country's educated elite and work force has had a serious negative impact on the Afghan economy. Furthermore, changes in the country's ethnic balance and destruction of the educational and social infrastructure have combined with the loss of educated professionals to create social problems that will endure for many years to come.

The UNHCR has, with the assistance of the Government of Pakistan, undertaken an international relief program for the refugees in Pakistan which includes basic housing and health and educational services. Despite the heavy burden the refugee influx has placed on Pakistan, the refugees have been welcomed and good rapport continues between them and their hosts. Pakistani assistance to the refugees includes some cash allowances to individuals and payment of relief administration costs. Contributions from several other countries and international voluntary agencies have greatly assisted this program.

The Afghan refugees in Iran have not been handled in any systematic way and there have been no international relief efforts there.

Most of the Afghan refugees are Pathan and, therefore, feel comfortable in the Pathan-dominated Northwest Frontier Province (NWFP). Due to the large concentration of refugees in the Northwest Frontier Province, however, Pakistani authorities began in 1982 to move refugees into new camps in less populated parts of the adjacent non-Pathan Punjab Province. Efforts to move the refugees increase the possibility of conflicts between the refugees and their hosts. Nonetheless, more than 40,000 Afghans were relocated from the NWFP in order to relieve population pressures and provide better living conditions. Large numbers, however, subsequently left the Punjab to return to Pakistan-Afghanistan border areas citing adverse climatic conditions in the south and a desire to remain close to their homeland.

Pakistani authorities continue seeking ways in which to manage the massive refugee population to the advantage of all concerned. President Zia has reaffirmed his commitment to a political solution including repatriation, and the Government of Pakistan adheres to a ruling by the Organization of the Islamic Conference that no member country should deal with the Karmal regime.

Working through the UNHCR, the World Food Program, and a variety of voluntary agencies, the U.S. Government continues to share in the international assistance program. Since 1980, the United States has contributed more than $300 million to Afghan refugee relief. During fiscal year 1983, the United States contributed $80 million to support Afghan refugees in Pakistan, including $49 million through the WFP. The U.S. contribution represents some 35% of the total UNHCR budget and about 50% of the international food contribution.

Soviet Strategy

The Soviets have failed to reduce the level of the insurgency, but they do not seem to have changed their long-term goals or altered their overall strategy in Afghanistan. Their troop strength remains at approximately 105,000 men. Furthermore, they seem to believe, perhaps erroneously, that in terms of international reaction, the worst is over. While Afghanistan has proved to be a far knottier problem than Moscow originally envisaged, the Soviets seem to judge that the costs are

bearable and that in the long run they will be able to wear down the insurgency.

If anything, Moscow's commitment to preserving a pro-Soviet, Marxist-dominated regime in Kabul appears to have grown over the last 4 years as the Soviets have come to view Afghanistan as a test of their credibility. Despite constant rumors, the Soviets evidently are unprepared to replace Babrak Karmal, probably because no viable alternative exists.

The Soviets appear to be trying to impose a Soviet-style political and economic system. Their efforts, however, have been frustrated by the unsettled conditions in the countryside. Still, where possible, the Soviets have introduced changes aimed to increase the central government's control and security. Afghan Government and party officials are routinely sent to the U.S.S.R. for training and indoctrination.

The Afghan economy has been progressively integrated into the Eastern bloc. Afghanistan was an observer at the October 1983 council meeting of the Council for Mutual Economic Assistance in Havana. Last spring, TASS announced that the U.S.S.R. was the main trading partner of the Democratic Republic of Afghanistan. The Soviets control Afghanistan's natural gas industry, virtually all Afghan gas going to the U.S.S.R. to service Kabul's Soviet debt. Moscow's current ambassador to Afghanistan [74] was previously the first secretary of the Tartar Autonomous Soviet Socialist Republic where he oversaw the development of the West Siberian oil and gas fields.

Since the invasion, 10–20,000 Afghan students have been educated in the U.S.S.R. Moscow considers this program sufficiently important to exempt the students from military service in Afghanistan. There has been a steady stream of articles in Soviet academic journals and the national press comparing Afghanistan with the U.S.S.R.'s Central Asian republics, where final pacification and integration took a similar form.

In their approach to Afghan tribal and nationality problems, the Soviets have taken another page out of their own Central Asian experience as they pursue a policy of divide and rule. The Karmal regime's strategy has been to offer large sums of money, weapons, and privileges as an inducement to tribes and villages to abandon the resistance and to obstruct *mujahidin* activity. It was the failure of this program—with previously neutral tribal groups joining the resistance instead—that contributed to the government setbacks in Paktia and Paktika Provinces this year.

In recent months the regime has widely publicized the surrender of *mujahidin* groups under an official amnesty program. The resistance, however, discourages potential collaborators from aiding the regime by regularly using assassination and other forms of retaliation against government supporters. *Mujahidin* frequently accept arms and cash subsidies from the government only to return to the resistance after a few months. To date no major sustained defections from the *mujahidin* to the regime have occurred.

Status of the U.N.-Sponsored Negotiations

U.N. efforts to help negotiate a solution to the Soviet occupation of Afghanistan date from a November 1980 resolution by the U.N. General Assembly. [75] The then Secretary-General, Kurt Waldheim, appointed Pérez de Cuéllar as his personal representative to see if the United Nations could play an active and useful role in negotiations concerning Afghanistan. When Pérez de Cuéllar succeeded Waldheim, he followed the same formula and appointed Diego Cordóvez, U.N. Under Secretary General for Special Political Affairs, to act for him on the problem.

Cordóvez shuttled between Kabul and Islamabad in April 1982 and gained agreement for a round of indirect talks between Pakistan and Afghanistan which were held in Geneva that June. Iran decided not to participate formally but agreed to be kept informed and thus associated with the talks.

Following these discussions, the United Nations, Pakistan, and Afghanistan all issued positive statements and indicated that there was a measure of flexibility in the negotiating positions of both sides. Kabul apparently agreed in principle to allow the subject of troop withdrawal to

[74] Fikryat A. Tabeyev, Soviet Ambassador to Afghanistan.

[75] Reference is to U.N. General Assembly Resolution 35/37 of November 20, 1980, printed in *American Foreign Policy: Basic Documents, 1977–1980*, pp. 884–885.

be part of the negotiating package and to accept the idea that at some point the refugees must be consulted on the conditions of their return. Cordóvez announced in a press conference that he kept a written record of the understandings that he has reached and that he would work from these texts in subsequent discussions.

From January 21 to February 7, 1983, Cordóvez again visited the area to refine the text of the agreement. His consultations dealt with four items previously identified for consideration: withdrawal of foreign troops from Afghanistan; noninterference and nonintervention; international guarantees of a final settlement; and voluntary return of the refugees.

During Pérez de Cuéllar's March visit to Moscow, he and Cordóvez exchanged views on the Afghanistan situation with both Chairman Andropov and Foreign Minister Gromyko. According to the Secretary General, the Soviet Government expressed itself strongly in favor of a political settlement and supported a continuation of his efforts.

A second round of indirect talks took place in Geneva from April 11 to April 22, 1983. Cordóvez met separately with the Pakistani and Afghan Foreign Ministers and with Soviet observers daily to further develop the text of a possible agreement. Once again Cordóvez also kept Iran informed of the discussions. At the conclusion of this round, there were suggestions that a breakthrough might be possible.

After consultations with the capitals concerned, another round of indirect talks took place in Geneva from June 12 [*16*] to 24, 1983. Although the parties reportedly made progress in defining the nature of a comprehensive settlement—its principles and objectives, the interrelationship among its four components, and the provisions for its implementation—the talks stalled on the crucial issue of the Soviets' unwillingness to provide a timetable for troop withdrawal from Afghanistan. Although the parties had agreed that Cordóvez should visit the region in September for further discussions, Pérez de Cuéllar decided in late summer that such a visit at that time would not be productive.

On November 23, the UNGA again passed a resolution urging immediate withdrawal of all foreign troops from Afghanistan by a vote of 116 to 20, with 17 abstentions—the largest majority since the Soviet invasion nearly 4 years ago. [78] This was the fifth time since January 1980 that the UNGA had called for a troop withdrawal from Afghanistan, each time by overwhelming margins.

Also during the UNGA, Pérez de Cuéllar and Cordóvez met informally with both the Pakistani and Afghan Foreign Ministers to explore conditions for resuming the diplomatic process. On November 30, the United Nations announced that Cordóvez would continue the diplomatic process by further negotiations in Islamabad, Kabul, and Tehran at a mutually convenient date.

C. Bangladesh

Document 424

Transcript of a White House Press Briefing, October 24, 1983 (Extract) [1]

Visit of Lieutenant General Ershad of Bangladesh

. . . . . .

[Senior Administration Official.] This is a visit which I think is characterized by agreement. Our bilateral relations are good. The President has invited General Ershad here in confirmation of those good relations between the two countries.

Much of the emphasis in our bilateral relations is on internal affairs in Bangladesh because we participate extensively through the vehicle of our assistance pro-

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[78] See document 420.

[1] Source: Office of the Press Secretary to the President. The briefing was conducted on background by a senior administration official beginning at 3:03 p.m. Omitted here are introductory comments on Ershad's schedule of meetings with U.S. officials by Leslie A. Janka, Special Assistant to the President and Deputy Press Secretary for Foreign Affairs, Janka's introduction of the briefing official, and Janka's concluding remarks.

grams. We provide assistance, I think it's $164 million in a year, [2] about evenly divided between development assistance and food. And this very substantial amount reflects the extent to which we have been able to agree with Bangladesh on development policy. In this case, Bangladesh is an excellent example of a country which has set forth development policies, constructive development policies which we believe will move this country closer to solving its problems.

Of course, it started in 1971 in great poverty and in recent years has shown a considerable ability to set forth policies which the Government of Bangladesh and we believe can move Bangladesh considerably closer to resolving its food and population problems.

The President will expect to take up with General Ershad a broad range of both international as well as these bilateral issues. We anticipate that General Ershad will seek a reaffirmation of our ongoing aid relationship.

He's also meeting with American businessmen to encourage increased U.S. private investment in Bangladesh. Among the major development policy reforms which have been taken in Bangladesh is a giving of much greater emphasis to the private sector. In fact, the government has denationalized a number of government-owned industries, some with rather positive results.

Therefore, in recognizing the role which he wishes to give the private sector in development, General Ershad is seeking American private investments. Obviously, this is something with which the administration agrees and we will be encouraging him to proceed along these lines.

We will also be expressing our interest in General Ershad's plans which he has announced to restore democratic institutions in Bangladesh. In fact, there is a process of elections which he has announced which will begin with local elections next December and proceed on to parliamentary elections. I believe it's in early 1985.

We, furthermore, applaud Bangladesh's constructive foreign policy actions in a number of international bodies in which Bangladesh is active—the nonaligned, the Group of 77, [3] the underdeveloped, the Islamic Conference which is the organization of Islamic—World Islamic countries and a newly formed South Asian regional organization, South Asian Regional Cooperation Organization which Bangladesh proposed and which has moved now through the stage of foreign ministers' meetings and may go on to one of chiefs of state.

So, we will be noting, as I said at the beginning, our appreciation for many of Bangladesh's policies, its development policies, its moving on to Democratic institutions as well as for its moderate positions on international issues. And I might mention a couple.

Bangladesh has been very strong—taken a very strong position in regard to the Soviet invasion of Afghanistan and Bangladesh also has—supports positions which—of ASEAN and positions which we support in regard to Kampuchea.

I think I would close my opening remarks at that point and take any questions. Yes?

Q. You talked about the move toward democratic—restoring democracy. Is the United States confident that that schedule can be kept and that there actually will be a new parliament in 2 years?

SENIOR ADMINISTRATION OFFICIAL. We would not express a view on—it is for General Rashad [*Ershad?*] to plan and to schedule and carry these things out. But we accept that he has set this forth in full sincerity, that it is his intention to move in this direction.

Q. So, the U.S. position is that there's no concern on the part of Washington in terms of the timetable—when this takes place, only that it takes place?

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[2] For additional information on U.S. aid to Bangladesh, see *Foreign Assistance Legislation for Fiscal Years 1984–85: Hearings and Markup Before the Subcommittee on Asian and Pacific Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), Part 5, pp. 174–177.

[3] Formed in 1964 by 75 developing countries during the first U.N. Conference on Trade and Development (UNCTAD I), the Group of 77 acquired its name after the membership had expanded by two. Currently representing some 116 Third World nations it has functioned as a caucus for economic matters in many forums, particularly in the United Nations.

SENIOR ADMINISTRATION OFFICIAL. We're pleased by the announcement which he has made because we think that this progression, the return to democracy, is constructive and we of course will be telling him that when he is here.

Q. What's the PL–480 [4] agreement that's going to be signed?

SENIOR ADMINISTRATION OFFICIAL. It's a further food grain agreement—wheat.

Q. How much of an increase?

SENIOR ADMINISTRATION OFFICIAL. — $65 million.

SENIOR ADMINISTRATION OFFICIAL. — $65 million.

Q. An additional $65 million in wheat?

SENIOR ADMINISTRATION OFFICIAL. Yes.

SENIOR ADMINISTRATION OFFICIAL. Excuse me. It's not additional.

SENIOR ADMINISTRATION OFFICIAL. Oh.

Q. It's not additional? It's part of the ongoing—

SENIOR ADMINISTRATION OFFICIAL. It's a part of our ongoing program but it is an additional agreement beyond the last agreement. These are annual—

Q. —part of the 164? Is that it or—

SENIOR ADMINISTRATION OFFICIAL. It's a part of the 164, yes.

Q. Are they getting any military aid?

SENIOR ADMINISTRATION OFFICIAL. No.

Q. Nothing military, just economic?

SENIOR ADMINISTRATION OFFICIAL. No. We have no FMS credits program.

Q. Just economic in aid?

SENIOR ADMINISTRATION OFFICIAL. Yes, that's right.

Q. Will he be coming here asking anything else of the U.S. government according to your anticipation at this point?

SENIOR ADMINISTRATION OFFICIAL. This is obviously for him to say.

Q. I know, but would you anticipate that? Are things on the table right now that need to be expedited or anything like that?

SENIOR ADMINISTRATION OFFICIAL. No, I think that we're moving forward with this PL–480 agreement. We have under negotiation an investment agreement, but this will not be produced at this time.

Q. I'll just go ahead and show my ignorance. I don't know anything about this general. Can you tell me about him—I mean, how he took power and what's he like?

SENIOR ADMINISTRATION OFFICIAL. Yes. He was the Chief of Staff of the Bangladesh Army, had been for some years. And he took control of the government in March of '82 after a period of instability, of what was said to be ineffective government. I think that was probably a situation of uncertainty in regard to government.

Q. It was a coup?

SENIOR ADMINISTRATION OFFICIAL. Yes, yes, he took over control of government.

Q. And what's he like? I mean, is he—what are his views?

SENIOR ADMINISTRATION OFFICIAL. I've described his positions on policies, both international and domestic. I think that's the best indication of his views. He will be—He's having I believe, a breakfast session at the National Press Club. When is that?

SENIOR ADMINISTRATION OFFICIAL. Wednesday morning. [5]

SENIOR ADMINISTRATION OFFICIAL. Wednesday morning. So, that'll be a time for him to state his views.

Q. What's the position the government took in the United Nations on the Korean airlines voting? [6]

SENIOR ADMINISTRATION OFFICIAL. They made quite a strong statement, and they voted for the resolution at the International Civil Aviation Organization, the resolution which we supported. [7]

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[4] Formally entitled the Agricultural Trade Development and Assistance Act enacted July 10, 1954. For text, see 68 Stat. 454.

[5] October 26, 1983.

[6] See document 236.

[7] See document 238.

Q. Can you give us from your experience some insight into how life may have changed in Bangladesh since their great difficulties when they got started?

SENIOR ADMINISTRATION OFFICIAL. Yes, I'd like to do that. Understand at the beginning that this is a very poor country. But the change from 1971 to the present is a change from a great need for relief and from donor countries providing relief to a situation of development in which our emphasis and that of all other donors is on development as on positive movement forward.

There has been substantial progress. There's been progress in agriculture. It's slow. It's difficult. But it moves ahead nonetheless. For example, we were looking at numbers the other day about one winter crop. They have three food grain crops a year, and the winter rice crop, which is the one supported by high technology, has had a phenomenal increase of over 100 percent in the last seven years in productivity.

Don't misunderstand me: The overall agricultural production has been at a more modest rate. But it represents movement ahead with some prospect ultimately of solving their food problem.

Q. Is there U.S. AID projection of when they might be self-sufficient in food?

SENIOR ADMINISTRATION OFFICIAL. I think AID may have its own projections. I've learned to be careful about that, if only because of the unpredictability of weather. Last year they had a drought; this year they've had floods. So, it's—And the figures, the graphs go like this, overall upward. But it's hard to make projections which I'd like to put into print.

Q. Is it something that's conceivable in this century?

SENIOR ADMINISTRATION OFFICIAL. Oh, yes. I think so.

. . . . . .

Document 425

Statements of President Reagan and Bangladesh President of the Council of Ministers Ershad, October 25, 1983 [8]

U.S. Relations With Bangladesh

THE PRESIDENT. Today we're honored to welcome Lieutenant-General H.M. Ershad, President of the Council of Ministers of Bangladesh. Over the past year and a half, General Ershad's government has taken steps to restore democratic institutions and economic growth to the people of Bangladesh.

In our useful and cordial conversations today, the General and I have had an opportunity to discuss these admirable goals and other matters of concern to our two countries. We especially appreciate the General's dedication to the economic development of his country. The self-help reforms which his government has put in place reflect this commitment to reinvigorate development and better the lives of the Bangladesh people.

General Ershad's government understands the vital role of private enterprise. Changes taking place should attract private investment to the opportunities available in that deserving country. The United States is proud of its long association and support for the people of Bangladesh. Today we pledge our continued support. We look forward to further cooperation between our two governments as Bangladesh seeks to overcome problems of hunger, overpopulation, and poverty.

In the political realm, the General has now set in motion a process designed to build a broad base of popular support for economic and social development in his country. We endorse this goal since we believe that long-term political stability

[8] Source: White House Press Release, October 25, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, October 31, 1983, pp. 1491–1493. The statements were made in the East Room of the White House beginning at 1:10 p.m. and followed their meeting in the Oval Office and a working lunch, together with U.S. and Bangladesh officials, in the State Dining Room of the White House.

can be achieved only through representative government.

Lastly, the United States wishes to applaud Bangladesh, a member of the nonaligned movement, for its constructive approach to issues of regional and global concern. To cite only a few examples: Bangladesh clearly manifested its courage and resolve in its unswerving responses to aggression in Afghanistan and Kampuchea. It also took the lead in establishing the South Asian Regional Cooperation Organization—a body designed to build a more prosperous and stable region for the people of South Asia. Bangladesh's foreign policy has exhibited an activism, moderation, and force of moral conviction which has earned the respect of the world.

General Ershad, we hope that the remainder of your visit to this country will be pleasant and we're happy to have had you with us.

LIEUTENANT-GENERAL ERSHAD. Excellency, President Ronald Reagan, distinguished representatives of the United States news media, ladies and gentlemen, it is both a great privilege and pleasure for my wife and myself and for the members of my delegation to be in the United States of America.

We are grateful to President Ronald Reagan for the thoughtful and cordial invitation which he has kindly extended to us to visit this great country. We bring with us the warm greetings and sincere good wishes of the people of Bangladesh.

My meeting with the President was very satisfying, and I thank him for having received me despite his preoccupation at this critical moment. The comprehensive and productive exchange of views which we have just had is an unmistakable demonstration of our friendship.

The object of my visit is to reinforce and consolidate the relations between the United States of America and Bangladesh, which I'm happy to say, has been achieved.

During our meeting, the President and I covered a wide range of subjects. It gives me great pleasure to say that we have had the opportunity of reaffirming our two countries shared perceptions and close identity of interests in strengthening the process of peace, progress and prosperity for mankind.

I have apprised the President of the intensive level of activity which my government has undertaken to improve the quality of life of our 95 million people, a large measure of whom live in rural Bangladesh. I have explained that my government is committed to laying firm political and economical foundations for the long-term development and social benefits for our people. We have already undertaken significant measures in the fields of population control, food production, rural unemployment and energy production. These have involved the organization and the centralization of our administration, the streamlining of our judiciary and extensive work in reviewing colonial laws, on the one hand, and our outdated education system, on the other.

We hope, sir, that these basic efforts will substantially reinforce the base we must have for the restoration and maintenance of democratic values which are integral to our society.

We are about to launch ourselves into local government elections this winter, followed by elections at progressively higher political echelons throughout 1984, leading to the elections to our Parliament in March 1985. Over 40 million people will go to the polls, not merely to elect their representative, sir, but to lay the political and economic foundation for our future, to enable our people to live freely and to live with honor and dignity by the grace of God.

The President and I have agreed to explore possible ways and means towards furthering strengthening the close bonds of friendship and cooperation between out two countries. Indeed, I am most grateful to you, sir, for the deep and abiding interest you have personally shown in the welfare and progress of our people and for the moral support and economic assistance which have been extended to us.

As members of the Organized Islamic Conference, an unaligned movement in the Commonwealth, and—as chairman of the Group 77, Bangladesh firmly believes the current international economic situation needs the closest vigilance by the whole community of nations, recognizing that interdependability is indispensable as a way of life in this day and age.

The role of the United States is a crucial and critical one in this regard. It is, indeed, a matter of great satisfaction that

the President and I, in discussing these issues, fully agree that global peace and stability is closely interlinked with the need to restore confidence in the current economic climate in both developing and developed countries.

We, in Bangladesh, deeply appreciate the importance of the vital role of the United States in upholding the principles of maintaining peace and stability in the world, as enshrined in the Charter of the United Nations. I warmly welcome your recent reassuring statement in the United Nations General Assembly in this regard.

I'd like to mention here that I have conveyed to the President our profound sorrow and anguish in the tragic loss of life in the recent days in Beirut. We share your grief, and on behalf of my government and people, I extend our heartfelt condolences to the families of the deceased.

My wife and I have been deeply touched by the warm hospitality extended to us and the members of our delegation. Our stay in the U.S. capital, the beautiful city of Washington, though short, has been most pleasant and rewarding. I have no doubt that I speak on behalf of all of us when I say that we shall treasure these happy moments and cherish the memory of your warm friendship.

During our meeting, I extended our most cordial invitation to the President to pay a State visit to Bangladesh as early as is convenient. It is my sincere hope that you will visit our country soon and see for yourself the high esteem in which you are held and the enormous fount of goodwill that exists in Bangladesh for your people.

Mr. President, I wish you good health, happiness, long life and every success.

And I thank you, ladies and gentlemen of the media, for your time and patience. Thank you.

D. India

Document 426

Prepared Statement by the Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs (Schaffer) Before a Subcommittee of the House Foreign Affairs Committee, March 8, 1983 (Extract) [1]

U.S. Aid to India

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India, the largest and most powerful nation in the region, remains fundamentally stable despite ongoing economic difficulties, communal and caste disturbances, and unrest in its troubled Northeastern region. Domestic tensions are likely to continue, but will not threaten the political system itself. Since her return to power in 1980, Mrs. Gandhi has governed in accordance with India's democratic traditions. Notwithstanding recent electoral defeats in some states, the Prime Minister and her Congress (I) party retain a dominant position in the Parliament. She is the only political figure with genuinely national support and can be confident of holding office for the balance of her 5-year term ending in January 1985, if not longer. Given its many decades of experience with representative institutions and a capable national bureaucracy, India can be confidently expected to remain a democratic and united country. It is clearly in the interest of the United States that it does so.

During the past 2 years, the Indian leadership has begun to turn toward a more open, liberalized, and private sector orientation for the economy. We welcome and encourage this more pragmatic direction in economic policy. India has undertaken an ambitious plan that emphasizes development of its petroleum resources, which

[1] Source: *Foreign Assistance Legislation for Fiscal Years 1984–85: Hearings and Markup Before the Subcommittee on Asian and Pacific Affairs of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), Part 5, pp. 171–174. For the complete text, see *ibid.*, pp. 167–181.

now meet half of its needs, and improvement in infrastructure services and industrial performance. Capitalizing on its sound credit rating, India has begun to borrow significantly on the commercial markets. With the assistance of a $5.7 billion IMF program, the government is undertaking structural adjustment to improve its balance-of-payments situation.

Since its independence, India has played an active role in international affairs. A generally moderating and constructive influence in the Non-Aligned Movement, [2] India as its new chairman is expected to help guide the NAM back to the mainstream approaches that earlier prevailed. During the past 2 years India has sought to reinvigorate its relations with the West, particularly in the economic and commercial areas but also in military supply arrangements. Mrs. Gandhi's successful visit here last year highlighted the desire on both sides for an improved relationship. [3] At the same time India has retained important ties with the Soviet Union. This basically nationalistic and non-aligned posture of Indian foreign policy is likely to continue.

The administration attaches great importance to maintaining constructive relations with India and has sought ways to expand its dialog with India and to work together more closely. Along with U.S. contributions to the World Bank (which disbursed over $2 billion last year to India), our aid program helps demonstrate our commitment to India's development. Foreign assistance comprises but one aspect of the multi-faceted reflection of U.S. interests in the country. Our political dialog has been intensified in recent months. Our trade relationship is of increasing significance to both countries. In 1982 for example we purchased $1.4 billion (or seven times the level of our aid) in Indian goods, many of which entered under the Generalized System of Preferences. [4] EXIM Bank has extended preliminary commitments covering over $1.6 billion in potential sales of American equipment to India. In response to a more attractive business climate in India and to that country's desire for Western technology, the administration is seeking to encourage U.S. firms to take advantage of business opportunities there. An OPIC Investment Mission has just returned from India. The Department of Commerce is currently conducting seminars in 15 cities on doing business in India. A panel of senior scientists established by the two heads of government has begun to design areas for enhanced joint research.

Our proposed program for India in FY 1984 of $86 million in Development Assistance, $123 million in PL–480 Title II and $200,000 in IMET will continue to concentrate on agriculture, particularly irrigation, and nutrition. Perhaps the greatest achievement of our assistance programs has been in the agriculture sector, which provides a livelihood for the vast majority of Indians and accounts for 40 percent of GNP. The United States in the mid-1960's helped India bring about its Green Revolution, [5] which remarkably has resulted in near self-sufficiency today. As was demonstrated again last year when India had to purchase 4 million tons of wheat from U.S. markets, the food balance depends precariously on the vagaries of weather. By helping to expand and improve the irrigation system, we contribute to India's ability to produce enough food for its population, which continues to grow at a disappointingly high rate.

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[2] Reference is to the grouping of nations that have chosen since the late 1950's and early 1960's not to be associated with either the West or the Communist bloc, politically or militarily.

[3] Prime Minister Gandhi visited Washington from July 28 to 31, 1982, where she met with President Reagan and other government officials.

[4] Reference is to the system approved by GATT in 1971, allowing developed countries to give preferential tariff treatment to developing countries.

[5] Reference is to the program of development of new hybrid grain seeds and the application of scientific methods to agriculture in order to achieve higher food production in developing countries.

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Statement Issued by the Department of State, June 21, 1983 [6]

U.S. Policy Toward India

A question was asked yesterday at the noon briefing about Ambassador Barnes' comments in India. Although information on the subject was not available at that time, we would like to offer the following:

In view of certain misunderstandings arising from distorted reports of recent remarks by Ambassador Barnes, [7] the Embassy of the United States is releasing the following statement of U.S. policy contained in a letter from Secretary of State George Shultz to Foreign Minister Rao dated March 1, 1983. This has been and remains the policy of the United States. "This administration is firmly committed to the unity and territorial integrity of India. We view this unity and integrity as key elements in the stability of the entire South Asian region, something very much in the interest of the United States. In no way, therefore, should the decision to grant Dr. Chohan a visitor's visa be construed as U.S. Government approval of, let alone support for, the views of Dr. Chohan or the Sikh separatist movement."

[6] Source: Office of Press Relations, Department of State; posted statement. The statement was posted in response to a question asked at the Department of State Daily Press Briefing on June 20, 1983.

[7] On June 16, 1983, demonstrators in front of the U.S. Embassy in New Delhi protested the remarks of Ambassador Harry Barnes who equated the Khalistan movement in northern India to the Puerto Rican demands for freedom. To Indian officials these statements as well as the granting of a visa to the movement's leader, Dr. Chohen, made it appear that the United States was supporting the Khalistan separatist movement.

Document 428

Remarks by the Secretary of State (Shultz) Before the India–U.S. Joint Commission, New Delhi, June 30, 1983 [8]

The Work of the India–U.S. Joint Commission

It is an honor to cochair this joint commission session, and I welcome the opportunity to reaffirm with you the enduring ties between our two countries. These ties are based on the principles of freedom and democracy, cherished by both India and the United States. As former colonies, we understand the struggle to achieve independence from foreign domination. As free peoples, we respect individuals' right to choose their own government. As representatives of the oldest and the most populous of the world's democracies, respectively, we must continue to uphold our ideals. U.S. relations with India will be sustained by these values and our determination to cooperate in areas of mutual interest.

The work of the joint commission and its four subcommissions is an important and highly promising aspect of our bilateral relationship. The activities of the subcommissions in the fields of economics and commerce, science and technology, education and culture, and agriculture enable us to work together despite political differences. They contribute to the more constructive ties with India that President Reagan is determined to maintain, and which I might say, the Prime Minister's visit to the United States about 10 months ago did so much to develop.

Let me review briefly the work of the subcommissions. First, the Economic and Commercial Subcommission has continued to function as a forum for free and frank discussions of mutual economic interests. The subcommission should con-

[8] Source: Department of State *Bulletin*, September 1980, pp. 32–33. The Secretary was in New Delhi as part of his official visit to East and South Asia and the Middle East, June 23–July 8, 1983. He visited the Philippines, June 25–26; Thailand, June 26–29; India, June 30–July 2; Pakistan, July 2–4; Saudi Arabia, July 4; Lebanon, July 5; Syria, July 5–6; Israel, July 6–7; Jordan and Egypt, July 7. The Secretary returned to Washington on July 8.

tinue to study measures to improve the environment for commercial and economic activities between the two countries. We favor early negotiations on a tax treaty—an area where concrete progress is possible in our commercial relations. We would also encourage the subcommission to focus on the most promising areas for expanded trade and investment, such as the energy, communications, agribusiness, and electronics sectors where mutually beneficial technology transfer prospects exist.

The work of the Subcommission on Science and Technology continues to enjoy a healthy momentum. A dozen U.S. agencies are cooperating with their counterpart Indian organizations on over 50 projects. We are particularly pleased by the new impetus given to our joint session and technology work by the formation and progress of the senior scientific panel, which grew out of the 1982 meeting between President Reagan and Prime Minister Gandhi. We look forward to results within 2 years from many of the project areas recommended by the panel, including monsoon predictability research and immunology research.

Our Subcommission on Agriculture covers one of the most important areas of cooperation between our two countries. Even before the formation of the subcommission, India and the United States had collaborated on literally hundreds of agricultural research and development projects. Although the Subcommission on Agriculture is the youngest one of our subcommissions, working groups are functioning to cover research and education, agricultural inputs and applied technology, natural resource management, and extension and training. In the area of agriculture, the senior scientific panel has recommended important projects on biomass and nitrogen fixation. We support the efforts of the subcommittee, through its *ad hoc* committee, to facilitate planning and coordination of the exchanges in this very important area.

The last, but certainly not the least, of the subcommissions is devoted to education and culture. Already this subcommission has supported some very successful exchanges but those are only a foretaste of the vast variety of exchanges planned for 1984 and 1985. President Reagan and Prime Minister Gandhi designated those 2 years for special emphasis on educational, cultural, and scientific exchanges, and we are working hard to make them a success. Both sides have designated groups of prominent citizens to marshal our efforts for 1984 and 1985.

Over the next 2 years, we support the establishment of new ties and enlargement of existing ties among a wide spectrum of groups and individuals in both countries. We hope that special efforts can be made to initiate the planned Nehru studies program in the next academic year. We welcome the decision of the Education and Culture Subcommission to draw up a program of seminars and discussions on our shared democratic experience.

Successful execution of the many activities already planned for all the subcommissions is essential. Moreover, we need to explore ways to place their activities on a solid, long-term basis. There have been preliminary informal discussions between our governments and within my own government on how to do this. One possibility would be to create a binational endowment which the United States, for its part, would fund with a portion of the rupees it now holds. We hope that it would be possible to develop some concrete proposals in this area by the end of the year.

Finally I would like to express my personal satisfaction with the success of our subcommission and the creative efforts under their auspices. I am a firm believer in the long-term beneficial effects of cooperation in any field where cooperation is possible. I know that Indo-U.S. cooperative programs have helped us to build a better bilateral relationship and I am confident that they will continue to do so.

Document 429

Remarks by the Secretary of State (Shultz), New Delhi, June 30, 1983 [9]

Indo-U.S. Relations

Today I had the opportunity to meet with many of you in this room, and I think

[9] Source: Department of State *Bulletin*, September 1983, pp. 33–34. The Secretary's remarks were made in a toast at a dinner with Indian officials.

we had a fruitful day's work. We have exchanged views on issues of international importance, reviewed areas where our two countries interact, and charted the tasks which will draw our two countries even closer together in the future. Our discussions have reinforced the spirit of frank and constructive interaction which has marked Indo-U.S. relations, especially since Prime Minister Gandhi's visit to the United States last year. I would like to note some of the objectives we seek for this region.

The American goal in South Asia is a stable, peaceful, prospering region. This is not a pious hope. Our interests are best served by a regional, as well as global, order in which each nation is in control of its destiny, immune from foreign intervention, and free to promote the welfare of its citizens.

Before arriving in India, I had the opportunity to meet with the ASEAN leaders, whose firm commitment to regional cooperation has resulted in tangible political and economic gains in Southeast Asia. We encourage regional cooperation in South Asia and welcome the recent initiatives by India and other countries of the region to work toward greater cooperation and alleviate the potential for conflict. In turn, regional cooperation will discourage those who would upset the equilibrium of the region, the most recent and tragic example being the continued presence of over 100,000 Soviet troops in Afghanistan.

As leader of the Nonaligned Movement, India not only has a special role in fostering regional cooperation but plays an important international role representing the aspirations of the members of the movement. We have our differences over certain elements in the declarations of the nonaligned summit. We, nonetheless, value and will continue to pursue a continuing dialog on political and economic issues raised by the Nonaligned Movement.

Particularly on international economic issues, as you noted, the healthy functioning of the global trade and financial system depends heavily on the participation of both the developing countries and the industrial countries. This is a relationship of mutual responsibility and a positive North–South dialog should aim at restoring and sustaining worldwide economic growth. We have had a useful exchange of views today on economic and financial issues. In the past year we have explored many avenues to strengthen mutually beneficial linkages between the Indian and U.S. economies. These efforts will continue. India's record of economic development is an impressive one, and it is one that has been financed primarily by domestic savings. International assistance can supplement self-generated savings for investment, but I have seen in my recent visit in the ASEAN region, as well as here in India, that aid is no substitute for genuine internal economic development. The United States has supported Indian development in the past and continues to do so today and will do so in the future. We do so through our bilateral relationships and through our major contributions to international financial institutions. We stand by this commitment to India's development.

I was impressed today by the degree to which our overall objectives are parallel—in many cases quite similar—but I was not surprised. The commonality of objective, in our case, springs from the values we share of respect for human dignity and democratic values. Ultimately, it is these values which bring us back together again and again. Perhaps at times, we take each other too much for granted, and that is why we have committed ourselves today to reinforce and strengthen our ties.

The work of the joint commission and its four subcommissions, reinforced by the progress on last year's bilateral initiatives, provides tangible evidence of Indian and American scientists working together on a variety of projects to combat disease and blindness, to increase agricultural productivity, and to unlock the secrets of both the Sun and the monsoon rains. Businessmen and government officials have spurred interest in bilateral trade and investment. The 1984 U.S. cultural program in India will be matched by Indian exhibitions and performances in the United States in 1985. Our two peoples are learning more about each other through tourism, the growing U.S. population of Indian ancestry, and through films like *Gandhi* which brought his message of peace and brotherhood to millions in both the United States and India.

These programs and projects demonstrate our ability to work together and help to create a positive and constructive atmosphere in which we can discuss our differences without disrupting the

progress of our cooperation or denying the common goals which unite us in the search for world peace and international economic recovery and development.

As Mrs. Shultz and I visited the famed Taj Mahal last night and this morning, I was reminded of the rich and ancient culture of India, a culture which, long before, contributed to the worlds of religion, science, and government. Indeed, as we dine here tonight we are reminded that wise men and women throughout history have been able peacefully to reconcile their differences and build upon their mutual interest. I have come to India with a belief in the benefit of free and frank exchanges between nations. I will leave with profound satisfaction that our relations are built on a firm foundation. With energy and commitment from both sides, I am confident these relations will grow and flourish.

Document 430

Transcript of a Joint Indo-U.S. Press Briefing, New Delhi, June 30, 1983 (Extracts) [10]

Tarapur Nuclear Spare Parts Issue

HUGHES. As you know, the Secretary was at Agra last night and this morning and, I think was really very much impressed by the Taj. He's talked about it quite a bit today to his Indian colleagues—he saw it in the moonlight last night, he saw it at dawn this morning and obviously it made a big impression on him.

He called on President Singh this morning; that was largely a courtesy call, but I understand that both of them expressed the view that the strong relationship between India and the United States is important for both sides.

As Mr. Aiyar has said, he then went into a one-on-one session with the Foreign Minister, Minister of External Affairs, at which they discussed the agenda for the Secretary's stay here and also on a number of matters of mutual interest. At 12:15 they went into the larger meeting. Again the Secretary stressed the importance the United States attaches to its relationship with India which as Mr. Aiyar said we represent between us the two largest democracies. There was some discussion about the important work of our joint commission in the field of education, science, commerce, culture and then a fairly extensive discussion on the East-West relationship with particular emphasis on U.S.-U.S.S.R. relations. The Secretary outlined our posture toward the Soviet Union. He outlined the basic premises of the Reagan administration policy, namely first be strong in terms of military strength, in terms of economic strength and indeed, he mentioned today, spiritual strength, a kind of self-confidence to be realistic, be realistic in appraising the Soviets, be realistic in appraising ourselves and three [*sic*], be reasonable in working with the Soviet Union to reduce tensions. There was an outline of the talks we are having with the Soviets in various fora, and how those talks are going. There was some discussion of the transition in the Soviet leadership, and then, as Mr. Aiyar said, some discussion about Central America. And at the end of that morning session, the United States released—or is releasing I should say, now—a statement that emerged from those meetings. The statement says that the U.S. Secretary of State and the Indian Minister of External Affairs today discussed the question of safety-related spare parts for Tarapur. Both the United States and India are concerned for the operational safety of the reactors and for the health of the employees of the plant and for the residents of the community in which they operate.

Insofar as the need for replacement parts to ensure these objectives is concerned, the Secretary indicated that the United States is prepared to take the necessary actions to supply those parts which are not available from elsewhere. The Government of India shares the confidence of the Government of the United States that this problem can be satisfactorily resolved. That's the end of that statement.

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[10] Source: Department of State files. The briefing was conducted by Department of State Spokesman John Hughes and his Indian counterpart, Mani Shankar Aiyar, beginning at 5:30 p.m.

Q. Mr. Hughes, does your statement, or Mr. Shultz's statement about reactor parts mean that both the United States and some conveniently and mutually agreeable third country will supply the parts, or does it mean that the Secretary has decided, the administration has decided to not take the advice of a number of democratic Senators who say it violates the law, or is the administration willing to do it, and see the supply of parts challenged in Congress? What about the whole problem of proliferation? Or has the proliferation problem been subordinated now to a safety problem or what? What is the thinking?

HUGHES. Well, the U.S. policy on the overall question of nonproliferation is quite clear, there remains no change in that, but insofar as these particular parts are concerned the President, the administration, the Secretary of State have decided to take this action. The action is quite clear. India will look for the appropriate parts that it needs elsewhere. If those parts are not available elsewhere, those parts which are available in the United States, from the United States, and cannot be acquired elsewhere, the President intends to take the action that would make those parts available to India.

Q. What determines if they are not available elsewhere. Is it time, is there a deadline when those are or not available?

HUGHES. I don't know if there's a deadline on determining when those parts are available. There has, as I understand it, already been consultation between the United States and India and indeed a number of other countries. It's not as though this research, into the availability of parts is starting from scratch now, that research, as I understand, has been going on. I can't give you a timetable on when.

Q. Would you say now those spare parts are available from a third country?

HUGHES. I don't know. I think that that examination will have to continue. As I say it has been going on and I assume will continue to go on. The answer—if you are saying do we yet know whether specific parts will be supplied by the United States—I think the answer to that is no. It is conceivable that all the parts might be available from other countries. What the administration is saying is if those parts are not available elsewhere, the President will take the action which would enable the United States to make them available.

Q. What in the U.S. spokesman's view is going to be the contribution of the resolution of this question of spare parts to repairing Indo-U.S. relations—that was the question.

HUGHES. Well, I think neither Mr. Aiyar nor myself can give you any details of the meeting between the Prime Minister and the Secretary because it's still going on. That's the simple answer to that question.

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L.K. SHARMA. What precisely is the U.S. role in facilitating this delivery from the third countries? Is it just a helpful suggestion or would you go beyond that? And number two, if Congress does not approve of the United States itself supplying the spare parts what does the administration intend to do?

HUGHES. Well, on the first part of your question, I think it's basically consultation, I think, the United States making available its expertise about the availability of the parts. Obviously India has expertise as well, and, I think, it's probably an exchange of ideas. As to the second part of your question, I don't think I'm going to go beyond our statement that the President of the United States is firm in his decision to move forward in this way, but I'm not going to specify how, what his strategy will be and how he will approach the question in terms of Congress.

BILL CLAIBORNE. Were there any discussions about concessional funding from international monetary agencies, specifically about the U.S. position on the Asian Development Bank?

HUGHES. There was some general discussion at lunch, and it's conceivable that there could have been some discussion in some of the other meetings, but there certainly was some general economic discussion at lunch.

Q. Can you characterize a little bit more?

HUGHES. Well, I think it basically was an exchange of views, it was a general exchange of views.

AIYAR. Can I just add to that. Mr. Narasimha, our Secretary for Economic Affairs, was present at the luncheon meeting, so was Mr. L.K. Jha, and that constitutes a fairly formidable economic team on the Indian side. It was explained to us at the plenary talks that economic experts as such were not present in Mr. Shultz's delegation, therefore the purpose of the discussions on the economic questions was not one that was designed to arrive at agreements here and now so much as to clarify to the United States India's concerns, and on the Indian side to try to understand what the U.S. position was in respect of these issues. The two major issues before us are in regard to the IBRD. There is the fulfillment of the U.S. commitment in regard to IDA–VI [11] and subsequent to that what position the United States will take on IDA–VII, and in this general context the question of the Indian share of IDA funds.

And there's also the question of the U.S. attitude to an Indian Request for borrowing $2 billion from the Asian Development Bank in tranches of $500 million a year over 4 years from the general capital increase that is taking effect in the Asian Development Bank.

Also of course within this, apart from the two financial institutions, there are proposals regarding monetary reform. The reference is to the call given by the nonaligned countries at the last summit for an International Conference on Money and Finance for Development, as well as the discussions in this regard that took place at the Williamsburg Summit. [12] So there are a number of economic issues that do reflect upon the bilateral Indo-U.S. relationship in regard to discussions taking place in multilateral forums. And there is also the bilateral Indo-U.S. relationship. So these questions were discussed in the light of attempting to explain Indian concerns to the United States and India attempting to understand the U.S. position on these issues.

Q. Did Secretary Shultz respond to Mrs. Gandhi's appeal for an international conference? Did she get any satisfactory answer?

AIYAR. I can't answer that because the talks are still going on. You know there are talks still going on between the Prime Minister and Secretary of State Shultz. So I can't tell you what's happening there. What I can say is that in the talks that took place earlier in the day, we have had an assessment from Secretary of State Shultz of the major matters that came up at the Williamsburg Summit including the question of an International Conference for Money and Development, which was an issue that was raised at that summit.

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Q. I would like to know from the American spokesman what exactly is the position of the Indo-U.S. agreement of 1963? [13] Is there any obligation on the part of the United States to supply the spare parts? Number two, in case the United States agrees to supply these spare parts, what is the condition on the supply of non-available spare parts.

HUGHES. You've cast your question as to whether the United States has an obligation to supply these spare parts. Without seeking to duck that question, I don't know about the legality, the fact is that the President is firm in his decision that he is going to move forward, that this is what he wants to do. Having considered it, he thinks this is right and this is what he is going to do. Insofar as the other countries, yes, there certainly is an understanding that India will look for these spare

[11] The International Development Association (IDA) established in 1960 as an affiliate of the World Bank, provides low interest loan assistance to low income developing countries. In order to replenish its capital base, IDA has met regularly with its membership to secure additional lendable funds. IDA VI marked the sixth round of such replenishment negotiations, which were completed in December 1979. The schedule of U.S. payments to IDA VI has been delayed by Congress, but other donors agreed to make additional contributions to cover the U.S. delay. The United States will complete its IDA VI payments by August 1985.

[12] The Williamsburg Summit, an economic conference attended by the Heads of State of the seven major industrial democracies, the United States, Japan, France, West Germany, Great Britain, Canada, and Italy, met from May 28 to 30, 1983, at Williamsburg, Virginia

[13] Reference is to the Agreement for Cooperation between the Government of the United States of America and the Government of India Concerning the Civil Uses of Atomic Energy, which entered into force on October 25, 1963; for text, see 14 UST 1484.

parts elsewhere. That is quite clear, and as I said, it may well be that all of the parts are available elsewhere. If that is the case then the United States would not supply any. Should those parts not be available elsewhere, and they are available from the United States, the President has made clear that he intends to take the kinds of action which would permit the United States to make them available. The statement stands by itself, there were no other obligations or promises or concessions or agreements. It's a statement that stands by itself.

Q. Second part of the question was on the question of spent fuels.

HUGHES. Yes, I'm afraid I simply cannot answer that question because I'm not sufficiently informed on the answer.

JOHN DAYAL. Could you tell us whether the issue of Pakistan was discussed in talks this morning and in the afternoon? The Indian stand on the arming of Pakistan is well-known and I presume that the same stance was maintained at the talks today.

HUGHES. Well, I don't ever want to speak for another government and the Indian Government. I don't recall a specific exchange on that point, but the U.S. position is quite clear. We expect and hope that we can maintain good relations with both India and Pakistan, and we will determine our policies towards both countries and that involves defense relationships on the basis of each country's needs.

Q. India maintains this arming of Pakistan is not directed toward large countries like the Soviet Union, but could be turned against it (India).

HUGHES. Yes, I did not hear any discussion today concerning U.S. military aid program, or such as it might be, to Pakistan.

Q. John, if it's still necessary that these nuclear, these spare parts be obtained for this nuclear power plant, why won't the United States supply them up front? And, did the Indian Government provide any sort of reassurances that the Secretary of State can take back to Washington to call off some of the opposition in Congress?

HUGHES. Well, the second part of the question first. As I said earlier the statement stands by itself and I think it's quite explicit on what transpired. Insofar as the first part of your question is concerned, there are some legal restraints upon the United States in connection with nonproliferation, and I think that that explains why we are suggesting that those parts come from other countries first, if that is possible.

Q. Well, if there are legal constraints how can we assure India that we will be able to supply these parts?

HUGHES. Well, what we're assuring India is that the President is going to take the appropriate action. The action that he will take insofar as Congress is concerned remains for him to announce.

Q. What concerns does your government have about the vast buildup of arms, American arms to Pakistan and the long-term Soviet occupation of Afghanistan?

AIYAR. Insofar as arms supply to Pakistan is concerned, what the Minister of External Affairs told his U.S. counterpart is a reiteration of positions that have already been explained in the past. Insofar as the question of Afghanistan is concerned, the position again of the Government of India has been reiterated on several occasions, and I would draw your attention to the relevant paragraph of the Nonaligned declaration on the question of Afghanistan at the last summit.

. . . . . .

AIYAR.[14] I could go on about two hours on the great advances that have been made in each of these subcommissions. I am prepared to swear you that, but I think both Mr. Hughes and I would totally disagree with your suggestion that either the progress has been negligible or that it has been deadly dull. In fact in every one of the areas that have been treated by the subcommissions of the Joint Commission, significiant progress is increasing, what Secretary Shultz described today,[15] As the interplay between the two democracies has been significant and you have only to go through the details to find that, whether it is in regard to trade, whether it is in regard to these important seminars that are to be held on the democratic experiment in the two countries, the Nehru studies program, the trade missions that

[14] The question Aiyar is responding to here is missing from the source text.

[15] See *supra*.

are being undertaken, the proposed tax treaty, the Blue Ribbon Panel on Science. There's a whole host of subjects which are of great relevance to the ordinary people of the United States of America and India, where the work of the Joint Commission is of significance, and it's really the means that we have to build upon this relationship between these two great democracies.

Q. Were there any narrowing of differences between the two countries?

AIYAR. I think the purpose of the exercise was not the narrowing of the differences as an immediate objective. It was more a question of attempting to understand each other's position, and in that process what was discussed on Afghanistan, as I said it wasn't a major focus of attention, so there were references made to the subject. And in regard to the ADB, the position is as I said earlier, that we brought to the attention of the United States of America our need to secure this particular loan. The United States' Secretary of State was not accompanied by economic experts so he broadly stated the position of the United States. And it is our hope that this exposition of our views of the rationale for us to borrow from the ADB will be carried by Mr. Shultz back to Washington. And hopefully, the attitude of the United States will, as a result, be favorable to this Indian request.

Q. How soon do you expect to receive spare parts for Tarapur and secondly, could you also be precise about how long the reactor—the two reactors can continue to operate before you run into serious safety hazards?

AIYAR. The answer to the first question is very soon.

Q. What is very soon?

AIYAR. Very soon really just means very soon. We believe that the problem has now been resolved. There are commercial modalities that have to be completed. I am not in a position to tell you how long it takes to complete a commercial negotiation, open a letter of credit, get the stuff shipped out or sent out by air. This would also of course vary from one spare part to another. So it would not be fair on your part to ask me to specify very soon in terms of days or weeks or months. But what we do expect is that now that the problem has been resolved, and since there is a considerable awareness in India of what our spare part requirements are, insofar as we are going to procure them from elsewhere it should take place very soon. I can see no great difficulty now.

Insofar as we are not able to locate a spare part elsewhere and have to go to the United States of America to procure it, how soon it comes would depend upon how quickly these actions referred to in Mr. Hughes' statement are taken, and we don't anticipate any problems in that regard. So we think that we will get it very soon. I agree it's a vague word in terms of days or months but in terms of a concept of whether it will take some time, take a long time, take a very, very long time, come very soon, I think in relative terms it is very clear that we expect these to come very soon. Now, of course, that the problem has been resolved, your second question, about how long it would be before health hazards became apparent, sort of recedes into the realm of hypothesis. I don't think we are going to face that problem now because we are going to get the spare parts that will prevent hazards from occurring in that area.

. . . . . .

Q. (Inaudible, on trade and U.S. restrictions on Indian exports).

AIYAR. As far as expanding trade between India and the U.S.A. is concerned, obviously it will not take place on the same pattern as with countries with whom we had trade plans. So the idea of giving specific targets is not as germane to this exercise as it might be in our trade relations with some other countries. There has in fact been some expansion in our mutual trade in recent years. For the last full year, that is 1982, India's exports to the United States amounted to about $1,400 million and our imports from them amounted to just under $1,600 million. So while the trade is not exactly in balance, the trade deficit is of the order of $178 million in the total turnover which is in excess of $3,000 million. There's been a trade mission that's come in from the United States here, the OPIC team. We are hoping to send out a trade mission to the United States. There have been some trade problems relating to protectionism which have been partially or fully resolved. For example, in regard to textile products we have, as the result of the most recent agreement, succeeded in increasing access by approximately 70 crore

(one crore equals 10 million rupees) annually although in a sense the problem of protectionism in the textile sector remains. We do believe that the general scheme of preferences provides one mechanism for improving the trade balance in increasing India's exports to the United States, and what we are seeking from the U.S.A. is stable, duty-free treatment, without abrupt exclusions based on automatic triggers or arbitrary subjective criteria.

There have been problems about the countervailing duty. We have solved them in regard to footwear and for two types of fasteners. And some problems that remain in regard to castings and some other types of fasteners we hope will be resolved as we go along. But these are matters of detail which were of course not gone into during the course of this visit, but since you raised the question in the context of the subcommission on trade, that subcommission does look into some of these problems, but there are also diplomatic contacts through which we attempt to resolve these problems as they come along.

Q. (Inaudible).

AIYAR. We had the OPIC mission here—this was a little earlier this year—that's the overseas private investors (*sic*) corporation.

. . . . . .

Document 431

Transcript of a Department of State Press Briefing, New Delhi, July 1, 1983 (Extracts) [16]

U.S. Relations With India

. . . . . .

Q. I was asking whether there is a broader discussion or not on Indo-U.S. relations apart from Tarapur.

[A.] Oh yes. I thought you were talking about nuclear matters.

Q. No, no.

[A.] . . . Yes, we had. I discussed, and the Foreign Minister and the Prime Minister and others in our meetings talked about the India–U.S. relationship, our aspirations for it and the substantive underpinning of it as well as you might say its tonal qualities and attitudes toward it. And I think that the Prime Minister's visit to the United States was outstanding in its impact on U.S. attitudes, and this is part of a process of continuing to build that relationship in terms of its bilateral nature and in terms of the mutual interest that both countries have in a wide variety of worldwide issues. So, we had a good bit of discussion about that. And I believe myself—I know the President shares this view—that a unified and strong and developing democratic, free India is very much in the interests of the United States, and to the extent that our relationship can help in that regard that's important to us.

Q. Mr. Secretary, you know that certain issues have come up in the relation to the broader Indo-U.S. relations on account of your government's attitude to the current replenishment of funds for IDA, your attitude towards IMF funds available to countries. And then the Asian Development Bank, the loan that India is seeking and U.S. attitude toward that. Because in the Indian scheme, as I see it, the aid prospect figured very prominently. And generally the U.S. attitude is seen to be less than helpful. Did this issue come up or will it come up in the discussions here or not?

[A.] . . . We discussed the problems of economic development generally, and India's interest in the multilateral lending institutions and access to loans and so forth in particular. And let me express, if I can, the attitude of the United States on this subject, and I might say as a background matter, I did address this subject in a general way in a speech in New York about a month ago and if you're interested I'm sure we can find a copy for you.

But as a general proposition it's clear, I think, to everyone that we have a world economy, we're all involved in it, we all stand to gain or lose depending upon how healthy it is and how well it operates. So that includes the so-called Third World as well as the industrial countries, and when

[16] Source: Department of State files. The briefing was conducted on background by a senior American official for senior Indian editors.

you address yourself to the health of this system you have to address yourself to the whole.

So that's one point that conditions the U.S. attitude and it seems to me that people's thinking in the United States, and for that matter elsewhere, has been moving away from the notion that concessional aid of one form or another is a form of gift-giving—and I'm not here speaking against gift-giving, but I think that has been a kind of conception that the rich nations owed it to the poor nations to give them resources. I think that idea is beginning to fade out of the picture insofar as this problem is concerned, and to be supplanted by a different idea, that it is in the interests of developed countries to do things that enable those who will do what it takes to develop, to see their economies be healthy and expand.

And therefore we find ourselves with another zero-sum game in the sense of what I give to you, I don't have any more; but a plus-sum situation where actions taken that help everybody be healthy are mutually self-supporting. And I think this is a much better, more solid way of thinking about it and one that has a long-term implication to it, that is, a healthier one than the rich to poor gift-type of thinking. Obviously the components of this process of attendance to each other's health has a trade dimension, an investment dimension, an aid dimension, and so on; all these things are part of a process, at least as I see it, and I've tried to spell this out somewhat in that speech.

Insofar as India is concerned, I think the development picture is quite an impressive one and we can see a progression, if you take IDA, other concessional lending and commercial lending and think of these as increments in the total lending mix, and then look at it over a period of time, what you see is that initially highly concessional soft loans from IDA made up the bulk of the total. And as time has gone on, that has changed and all three elements are in the picture and the component of IDA has declined although it's still very important. And I would expect that process to continue and by now, and I called attention to this in the New York speech, India generates 90 percent of the funds used for investment in India from domestic savings, and really that's the kind of thing that's necessary for economic development.

Q. But you wouldn't blame our government from seeking the lowest possible terms.

[A.] . . . Of course not, every borrower does that, and the question is that, I think, we have to ask ourselves, thinking about this in terms of the overall economic system, is this: investment is absolutely dependent on savings, by definition, as we all know. If you consume everything that you produce, there are no resources left over to invest, so you have to have saving in the world in order for there to be investment in the world. And you can at least conceptually think of something that you might call a world savings, and concessional aid of one form or another takes out of world savings by a political act and allocates those resources to some form of investment somewhere. So it isn't as though concessional lending is a sort of a free good, it is part of the flow of world savings and you have to think about its impact on world savings and the allocative process here.

Q. Mr. Secretary, as we see it in India, we see this situation as being asymmetrical. You call it the world economy but the world economy is not in balance and that's why we call it the North and the South and usually in many ways the North means your country because every country's economy is in a large measure dependent on the health of your economy. So in a sense it is this unequal relationship to start with, which creates problems. That apart, we also see a shift, a major shift in American policy over the years. Earlier, America was the leader in organizing assistance for developing countries. America has long abdicated that role. In fact we find the European attitudes more helpful than the American attitude for aid, whatever the reasons. Then, we also find that American aid itself has become more politically directed than before as most of America's aid now goes to a couple of countries, Egypt, Israel. I think these two countries account for about 80 percent of American assistance.

[A.] . . . It's large but it's more like, I think, 45 percent or something like that.

Q. Well, then perhaps if we add a few more countries it may add up to make it 80 percent. Generally we get a kind of impression of America, still the leading-most country in the world, but not really all that interested as it used to be in its more liberal days. That is how a lot of people in

India, if I may say so, see American policy, and even those who are really for very strong Indo-U.S. relations. I've come up against this fact that the United States is really not all that interested as it used to be. That is the kind of—I don't know if these brief discussions, like the one we are having now, are the appropriate platform for discussing bilateral assistance, because more than bilateral assistance is involved. But these are the kind of perceptions some of us have here.

[A.] . . . Yes, well, I'm aware of the fact that that is the view of people and that gets written a lot. It is not in accordance with the facts. The facts, let me give you a few facts. The United States today is by a large measure the largest single donor country, in general, for concessional aid of various kinds. There's no other country close to it. The United States today is the largest donor country in the sense of concessional aid to India. If you add up our component of the World Bank, the Asian Bank, bilateral assistance and so on, you add all these things up together and then compare them with whoever else you want to name. The United States, more importantly, provides the largest market for goods from the Third World. Roughly half the manufactured goods in the Third World find their way into the U.S. market. I believe, I don't know whether any of you covered the GATT ministerial in November, but it was very clear, and I'm not trying to slam anybody else, but it was very clear that the sentiment for protection, which is strong in the world in all countries, is strongest in Europe, and really the developing countries have a much bigger stake in the openness of market than in any other single thing. In 1980 the flow of earnings from trade exceeded the flow of funds from aid by 17 times. So trade is a much more important component—and I see it in our own country that there is a tendency on the part of people who don't want to see trade take place to substitute aid for it, and it's a very bad tradeoff. I've had this battle with our own labor unions, over what we call a Caribbean Basin Initiative, which we are trying to help these tiny economies in the Caribbean Basin of Central America by really opening the U.S. market totally with no restrictions whatever. And the labor unions take the view that that's not a good idea. On the other hand, they're willing to support gigantic sums of money, and our view is that it's much more important to provide the market opportunities.

At any rate, the United States, with all of our problems with protection, is, I think I can fairly say, by far the most open industrial market in the world to the products of the Third World. So, in all of these respects I think the reality is—in terms of the amounts of money and so on—that the United States is a major contributor to the development process. And we think this is good for us. Now insofar as the Reagan administration is concerned, we mentioned IDA—and this is a subject that I've been around the horn on a lot because I was Secretary of the Treasury at one time, and fought for the IDA tranches then and the other capital appreciations to the various development banks. But the Reagan administration inherited from its predecessor an IDA commitment which its predecessor was unable to sell to a Democratic Congress. Now, President Reagan took this commitment and adopted it and we think we are very close now to getting it through the Congress. We've worked very hard on it and we have a 1983 supplemental appropriation in which there is an increment, and if we are successful we'll complete the IDA-VI pledge in the 1984 appropriation process. And this has been a major effort on the part of the President, and he's had to turn around his own party and support something that his predecessor laid down.

And beyond that, the amount of economic concessional aid of various kinds under the Reagan administration has increased each year, its total has been going up. So I recognize the impression that people have but I call your attention to the facts, as to the reality. Now, I think the impression comes about sometimes because the United States has historically, and today the President very much takes the view that we should say what we really think and that we should be candid enough if we think that some nice idea that everybody sort of likes is really what we call "pie in the sky" and we ought to say so, otherwise we're not being honest with people. I remember when I was Secretary of the Treasury, on this, there's a so-called link and that issue is still around in which it is proposed that the issuance of SDRs be linked to aid. I'm sure you're all familiar with this issue. We always opposed that in the United States on the grounds that it would undermine the confidence in the SDR, that it would quickly be seen by legislatures as a bypassing of them, and they would wind up making it impossible, and we would have in the

process done more harm than good. And we got up and said that. It made us very unpopular, everybody railed against us. I had innumerable finance ministers from developing countries come around and say to me, we're going to make a speech against you, and I'm sorry that I have to, but please don't change your mind. And I had a very distinguished finance minister, whom I won't name, from a country that portrays itself as being all for economic development, come around and say to me, . . . you say that you're opposed to the link, but are you really, are you really going to stick to it? I said, oh yes, that's what I think and Arthur Burns is sitting here, he's the Chairman of the Fed, that's what he thinks, listen to him, he's very worked up about it. The United States is going to be firm on this. And he said, well I'm just delighted to hear it, it gives me a chance to demagogue on this issue. And there's an awful lot of that. But I think that it's important for the United States, as the country that in a sense people look to to be honest about these things, to argue these points directly, and for that reason I think it often comes through that we are the bad guys, but the reality, I think, is quite the reverse.

Q. As a corollary to what you said, now, the Third World is interested very much in the U.S. economic recovery. It would help them. . . . What is the correct position about it? We keep reading conflicting accounts.

[A.] . . . Well, I don't want to pose as an economic forecaster, but I will make one anyway. We had a growth rate, real growth rate of about two and a half percent in the first quarter, coming off of a down quarter. We have the preliminary estimates for the second quarter and they are a real increase of 6.6 percent. The preliminary estimates always get revised and we really can't tell, but let's say its in the ballpark of 6 percent. All of the indications are that this is turning into a sustainable recovery. When an economy the size of the U.S. economy—it's over $3 trillion—moves at an annual rate of 6 percent, that's a huge movement. And so I think that we do see this real recovery underway. There will be a strong effort to manage it so that it is a non-inflationary recovery; some think that it's going too fast, in other words. But at any rate, I think that you'll see strength. And it is also the case that the strong dollar, which is much stronger than it would be on strictly trade measures—it's strong in considerable part because of the flow of financial resources to the United States as a kind of safe haven economy—so the dollar is very strong, and what that means is that we will ship a lot of our inherited expansion abroad. We're going to have a very large trade deficit this year and I notice the figures for May have just come out and it is a record monthly number. From the standpoint of our trading partners who are looking for their own expansion to be export-led, it's very good news that the dollar is so strong, and President Mitterrand is always complaining about this, I had a long session with him a few weeks ago and I asked him, why are you always complaining about the strong dollar? It's working to your advantage. And he smiled and he said, yes, I've seen a few deals that we have gotten here recently in third markets that we probably wouldn't have gotten otherwise. So I think if the dollar starts to weaken we're going to hear a lot of complaints, Just as we have had a lot of complaints when it was strong. But I think the U.S. economy is moving and it's going to make a difference, but it's also true that if we can keep trade open that there's going to be a mutually stimulating effect here and the U.S. economy is going to benefit by strength in various other economies such as India's.

. . . . . .

Q. What do you expect from Indo-American relations?

A. We expect to have, want to have, a close relationship and the ability to discuss issues of interest to both the countries, whether they are bilateral matters or multilateral matters, so that if we disagree it won't be because of incorrect understanding and where we can agree, we both benefit from that. I've been impressed with the work of the Joint Commission and the various subcommissions—that's been sort of a quiet effort, a no-big-deal thing, but a lot of people have been working away in an effective manner, and so we want to keep that going. I think it's a mutually beneficial thing. As I said in the beginning, the existence in this region of such a large, free, democratic country having a healthy economy is a very important, stabilizing factor here. We welcome it and support it. We think it's a good thing for the United States.

Document 432

Section 1007 of Public Law 98–164, Approved November 22, 1983 (Extract) [17]

Export of Nuclear-Related Equipment to India

SEC. 1007. (a) It is the sense of Congress that the United States Government should disapprove the export of, and should suspend or revoke approval for the export of, any nuclear-related equipment, material, or technology, including nuclear components and heavy water, to the Government of India, Argentina, or South Africa until such time as such government gives the Government of the United States stronger nuclear nonproliferation guarantees. Such guarantees should include—

(1) reliable assurances by such government that it is not engaged in any program leading to the development, testing, or detonation of nuclear explosive devices; and

(2) agreement by such government to accept international safeguards on all its nuclear facilities.

(b) If the President determines, in the case of India's Tarapur reactor, while it is under International Atomic Energy Agency inspection, that certain equipment or nonnuclear material or technology is necessary for humanitarian reasons to protect the health and safety of operations and is not available from a foreign supplier, the President may authorize the export of such equipment or non-nuclear material or technology. [18]

[17] Source: 97 Stat. 1059. P.L. 98–164 was entitled the Department of State Authorization Act, Fiscal Years 1984 and 1985.

[18] For text of the Committee reports leading up to this bill, see House Report No. 98–130 and 98–563, and Senate Report No. 98–143.

E. Nepal

Document 433

Prepared Statement by the Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs (Schaffer) Before a Subcommittee of the House Foreign Affairs Committee, March 8, 1983 (Extract) [1]

U.S. Aid to Nepal

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Nepal has recently made dramatic progress toward its own sort of representative institutions. By referendum Nepal chose the partyless Panchayat form of representation and the country has now launched its own experiment in participatory government. Accompanying this has been a trend toward broader enjoyment of a wide range of human rights. Through its economic development program with its recently decentralized planning process, Nepal is making gradual progress toward a better life for its people.

The Government of Nepal is a founding member of the Non-Aligned Movement where it has supported moderate positions. It has been an active member of the United Nations, including contributions to three U.N. peacekeeping forces during the past 30 years. The United States and Nepal enjoy excellent bilateral relations.

U.S. economic assistance helps foster the development essential to preservation of Nepal's historic role as a stable buffer state between India and China. During the more than 30 years of aid to Nepal, U.S. focus has shifted from development of an elementary transportation infrastructure and education system to the current three core projects in resource conservation and utilization, integrated rural development and family planning/rural health care.

[1] Source: *Foreign Assistance Legislation for Fiscal Years 1984–85: Hearings and Markup Before the Subcommittee on Asian and Pacific Affairs of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session,* (Washington, 1983), Part 5, pp. 180–181. For the full text, see *ibid.*, pp. 167–182.

These reflect shifts in GON priorities as well as successful completion of earlier projects.

For FY 1984 we are proposing for Nepal $13.5 million in Development Assistance, $1.5 million in PL–480 [2] Title II for the World Food Program, and $95,000 in IMET. In addition we are proposing a Special Foreign Currency Appropriation of $1.1 million equivalent in excess Indian rupees for training. Our assistance represents about 5 percent of total AID. Training and institutional development, which have been major emphases of U.S. programs, are now paying important dividends as the Government of Nepal plans and implements its development program. Nepal, however, is faced by continuing and severe development problems. Among the most notable are destruction of forests and consequent ecological degradation; high population growth levels; and disappointing results to date from efforts to achieve real increases in agriculture.

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Document 434

Remarks by President Reagan and King Birendra of Nepal, December 7, 1983 [3]

U.S. Relations With Nepal

THE PRESIDENT. You got mighty quiet all of a sudden. (Laughter.)

Your Majesties, honored guests, ladies and gentlemen, today King Birendra and I had the opportunity to review our bilateral relations and to discuss our international concerns. [4] We also had the chance to get to know one another as individuals. I'm pleased to inform you tonight that not only are relations between Nepal and the United States good, but King Birendra and I have each discovered a new friend.

Our discussion of bilateral relations revealed a refreshing lack of difficulties. Notwithstanding the great distance that separates our two nations, Nepal and the United States through the years have enjoyed a particularly amicable relationship.

We prefer to think of you, Your Majesties, as neighbors on the other side of the world. We're so pleased that you've made this neighborly visit. It will serve to expand the good will between our peoples when more Americans, as I did today, get the chance to meet you personally.

Americans respect individuals of courage and conviction. And to give you some idea of how this applies to King Birendra, one of his Majesty's many talents is parachuting. We have a great deal in common—(laughter)—but let me hasten to say we found our common ground in another of his interests—horseback riding. (Laughter.) (Applause.)

Your Majesty, the highest mountain on our planet, Mount Everest, is in Nepal. And as—so are eight of the world's ten highest peaks. And the character of your people, the sincerity of your convictions stand as tall and strong as your mountains.

Any American who's visited Nepal returns home in awe, not only of the majestic beauty of your land, but also of the religious strength of your people. There are countless religious shrines in Nepal—outward symbols of your country's greatest strength.

And Your Majesty, the spiritual side which is so important to your nation speaks well of you and your countrymen.

Today, we had the opportunity to discuss a proposal of which you and your people can be rightfully proud. Through

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[2] Formally entitled the Agricultural Trade Development and Assistance Act enacted July 10, 1954. For text, see 68 Stat. 454.

[3] Source: White House Press Release, December 7, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, December 12, 1983, pp. 1658–1660. The remarks were made at 9:54 p.m., during a State dinner in the State Dining Room at the White House. All brackets are in the source text.

[4] King Birendra of Nepal and his wife made a State visit to the United States from December 5 to 13, 1983. The King and Queen were in Washington from December 5 to 10, where they met with the President, several Cabinet Members, and Members of Congress. While in the United States the royal couple also traveled to Harvard, which the King attended in the 1967–1968 academic year, New York, Orlando, Dallas, Atlanta, Los Angeles, San Francisco, and Honolulu.

the Nepal Zone of Peace concept, you're seeking to ensure that your country's future will not be held back by using scarce resources for military purposes. We Americans support the objectives of your Majesty's Zone of Peace proposal [5] and we endorse it. We would only hope that one day the world in its entirety will be a zone of peace.

In the meantime, we encourage you to continue to work closely with your neighbors to make Nepal's Zone of Peace a reality. Your innovative approach to peace and development could be a foundation for progress throughout the region. We wish you success.

It is an honor to have you with us, your Majesties. Now, would all of you please join me in a toast to His Majesty, King Birendra, to Her Majesty, Queen Aishwarya, and to the people of Nepal.

KING BIRENDRA. Mr. President, Mrs. Reagan, distinguished ladies and gentlemen, I'm touched by your cordial welcome and the warm words with which you and Mrs. Reagan have received us here in Washington. We're equally honored by the generous remarks you, Mr. President, have just made about my country and people.

Seen from Washington, Nepal is almost on the other side of the globe and, yet, as this friendly gathering here tonight shows, distance notwithstanding, friendship, and cordiality based on shared ideals can exist between countries that are geographically far apart. In 1947, as soon as Nepal broke her age-old isolation by seeking friendship beyond her borders, it was with the United States of America that Nepal sought to establish her diplomatic relations.

Since 1951, the year when my grandfather, late King Tribhuvan, led the Nepalese people to democracy, we have looked to the United States as a land of freedom and fulfillment. The enduring ideals of the founding fathers of America who spoke to men of liberty and independence have inspired men throughout the world, including those of us living in the mountain fastness of Nepal.

In our part of the world, if America is looked upon as a land of gold, grain and computers, a country of skyscrapers and space shuttles, she is also regarded as a nation committed to respect man and his dignity. A land of discovery, America has distinguished herself in being inventive, in breaking new grounds and opening newer horizons of knowledge for the betterment of man.

With a country such as the United States, one wonders if Nepal has anything in common. On the surface, there may seem very little. Yet, as men living in the same planet, we have common stakes in the global peace, prosperity and, indeed, the survival of man in dignity and freedom.

We're happy to see, Mr. President, your efforts to maintain peace and stability around the world. The Nepalese people join me in appreciating the understanding with which on behalf of the people and the Government of the United States you have extended support to the concept of Nepal as a Zone of Peace. This recognition, I assure you, will go down not only as an important landmark in the history of our relations, but also as a testimony of your personal commitment to the cause of peace, stability and freedom.

Nepal rejoices in the achievements of the American people in different fields of human endeavors. The initiative and enterprise of your people are exemplary. Yet, what happens in this part of the world sends its ripples even to the roadless villages of Nepal. We receive their fallout. When America suffers a temporary drought, millions around the world get affected.

Indeed, if I may seek your indulgence, I would like to mention something that on the surface may sound trivial, but sometimes it is the small thing that can bring about profound changes. The corn maize in Nepal was introduced from this part of America, as were the potatoes from the Andes nearly 300 years ago. These new crops not only altered our ill economy, but even the mode of life by making settlements possible in the mountain terraces of Nepal.

Evidently, we do not live on islands but in a world bound in a nexus of interde-

[5] The Nepalese Zone of Peace Proposal, which was first expressed by the King in 1975, calls for Nepal to devote its energies to economic development, and to prohibit foreign powers from using its territory as a base for purposes of aggression against its neighbors. It also requests its neighbors to adopt a similar policy toward Nepal.

pendence. What happens in America ceases, therefore, to be a local event. The United States as such has shown a consistent understanding towards this and has assisted Nepal in stretching her hand of friendship and cooperation in many fields, including the building of infrastructures.

May I take this opportunity, therefore, to thank you, and through you, to the people and Government of the United States for the support we have received in meeting the challenges of development in Nepal.

Mr. President, in recent years, America has brought glory to humanity by landing man on the moon. It is indeed thrilling to reflect that one can soar into space to explore the unknown and scan the stars. Yet these adventures into outer space would carry still deeper meaning if the part of humanity living in Nepal could also rid themselves of their continuing poverty. Herself, a least developed, landlocked country, Nepal has always sought understanding and cooperation from her friends and neighbors.

In fact, since the time I assumed responsibilities I have sought that the minimum of basic needs must not be denied to people anywhere in the world. In this regard, I take comfort in the reassurance that the United States will continue to extend cooperation on a long term-basis into the future.

Modern technology, Mr. President, has reduced distance and joined us all into a family of nations. This situation demands that we create an enduring relationship based on a sense of purpose and meaning. With Nepal and countries in her region willing to join hands with the United States and other international agencies in a creative effort for prosperity by putting into use a fragment of their human and capital resources to harness the water potential of Nepal, it would not only enable them to walk over a long road to progress for our region, as a whole, but would also continue to build bridges of understanding between a most advanced and a least developed nation of the world. It would also mean eliminating the perils of hunger on the one hand, and the danger of instability and extremism on the other.

I have no doubt that Nepal and the United States can cooperate in many fields of creative endeavors. As countries that have shown respect to the uniqueness of the individual, we believe in the conservation of the natural as well as the spiritual heritage of man. But most important of all, we both honor the freedom of man and the independence of nations. In this regard, we appreciate the support the United States has shown consistently to our identity as a nation.

Mr. President, I cherish the fruitful exchange of views we have had recently with each other. You have been very reassuring, and I wish to thank you and Mrs. Reagan for the warmth of hospitality shown to me, my wife, and members of my entourage.

Excellencies, ladies and gentlemen, may I now request you to join me in proposing a toast to the health and happiness of President Ronald Reagan of the United States of America, and the First Lady, Mrs. Nancy Reagan, to the peace and prosperity of the American people, and to the further development of friendship between Nepal and the United States. Thank you.

F. Pakistan

Document 435

Testimony by the Assistant Secretary of State for Near Eastern and South Asian Affairs (Veliotes) Before a Subcommittee of the Senate Foreign Relations Committee, March 2, 1983 (Extract) [1]

Support For Eradicating Opium Production in Pakistan

MR. VELIOTES. Mr. Chairman, I am very pleased to be here before the committee

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[1] Source: *Security and Development Assistance: Hearings Before the Committee on Foreign Relations, United States Senate, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 293–297. Veliotes testified before the Subcommittee on Near Eastern and South Asian Affairs.

again with my colleagues to testify in favor of the three appropriations that you cited earlier. [2]

I have a statement which I have submitted for the record, and I would like to summarize it at this time.

SENATOR BOSCHWITZ. Fine. [3]

MR. VELIOTES. If before proceeding I could just make a comment about Senator Moynihan's testimony, sir. [4]

There is no question but that the administration, and I think all Americans, fully share the goals of eradicating the heroin trade and the drug trade wherever it may originate. Certainly as concerns Pakistan, we share that strong objective, and we have been working on it. We have made progress. It is not a simple issue.

The Attorney General visited Pakistan last fall. There have subsequently been some interesting developments in the enforcement field which are encouraging.

I would like to reserve any detailed comments on the proposal of linkage and save this for a later period, unless some of my colleagues would like to address the issue later on in the session.

I would like to know whether or not had we attempted to coerce the Pakistan Government through linkages to things like military assistance if we would have achieved the degree of cooperation and the cooperative air as well as some of the results that we have had today.

I also have to tell you my own personal concern about running the risks of one-dimensional foreign policies. We have many policy objectives in Pakistan and with the Pakistanis. One of the most important is narcotics control, but there is more than that. And I think that our best approach always in these issues is a balance in our approach, attempting to do the best we can to promote all of our policies, all of our policy goals.

Having said that, certainly I wish to conclude by saying we share Senator Moynihan's concerns, and we certainly welcome his interest, not only as a Senator but as a former Ambassador in India. And the fact that he took the time to personally make this trip and report, we are all the better for it.

SENATOR SARBANES. You regard this as but one of many foreign policy objectives, is that correct?

MR. VELIOTES. Correct.

SENATOR SARBANES. The point that Senator Moynihan is making is that it is a major domestic concern. I was out of the room. I do not know if the Senator read his statement, but he makes the point that the twin problems of drug addiction and the crime that inevitably flows from it are having an impact at home that is profoundly transforming American urban life.

To downgrade that problem to a kind of a litany as but one of many foreign policy objectives is not really doing justice to the thrust of Senator Moynihan's statement.

MR. VELIOTES. Senator, I did not mean to downgrade it. You are referring to the second part of my statement.

SENATOR SARBANES. He is saying that in every major urban area there is apprehension, if not outright fear, about safety that can be traced back to the narcotics trade. You do not really quarrel with that, I would hope.

MR. VELIOTES. Of course not, sir. In my first comment I questioned whether that would be the most effective way of achieving the progress and the goals that we share. I certainly did not intend to downgrade the issue.

SENATOR BOSCHWITZ. But I gather that you disagree with the Senator's amendment [5] then that we should compel the

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[2] Senator Rudy Boschwitz, Chairman, stated that the subcommittee was considering three bills, two of them being fiscal year 1983 supplemental foreign aid requests, one of which included additional military assistance for Pakistan, and the fiscal year 1984 foreign aid bill. (*Ibid.*, p. 279)

[3] Veliotes' summary of his prepared statement is printed, *ibid.*, pp. 297–299; and his prepared statement, *ibid.*, pp. 299–305. For an extract of that statement, see document 276.

[4] For the testimony of Senator Daniel Patrick Moynihan before the subcommittee, March 2, 1983, see *Security and Development Assistance*, pp. 286–293.

[5] S. 813, 98th Congress, a bill to prohibit all U.S. military and economic assistance and exports except food and medicine to, and all imports from any country whose government has failed to take adequate measures to prevent

Continued

eradication of the poppies or at least to say that our aid is not going to be forthcoming if those poppies are not taken care of?

MR. VELIOTES. I would want to know a lot more about the situation, sir, and see the language of the amendment. The issue there is what is the most effective way to assure continued progress, and that is something that we would have to discuss.

SENATOR SARBANES. Well, we would not have to draft it in terms of linkage in just reaching our judgment as to what constituted a reasonable aid figure as we face the situation of our relationships with nations around the world amongst many things which we consider would be the nature of our relationship as it touches upon this very important and sensitive problem, just as we consider the same sort of thing with respect to other problems. And we may not have to link it and establish—I think you used the word "coercive"—tie or whatever. It might be just reflected in what the figures are.

SENATOR BOSCHWITZ. Mr. Ambassador, since you have begun with that subject, what king of progress do you perceive we are making with Pakistanis?

MR. VELIOTES. On the narcotics issue?

SENATOR BOSCHWITZ. Sure. I must say I very much agree with Senator Sarbanes that this is not an issue to be downgraded, and it is not an unreasonable issue on which we should base our aid inasmuch as there is the upsetting factor caused in American society because of the presence of these drugs.

Have we made some progress?

MR. VELIOTES. There has been progress. We could submit for the record greater detail.

[The information referred to follows:] [6]

OPIUM POPPY GROWING

There has been progress. Since President Zia imposed a ban on opium poppy growing in 1979 there has been noteworthy progress in reducing opium production. The 1979 crop was about 800 metric tons. Last year it dropped to under 80 metric tons. While bad weather and the price-depressing effect of a large stockpile figured in the decline, we believe Pakistani enforcement efforts contributed substantially to the result.

Poppies are no longer grown in the "settled" areas of the Northwest Frontier Province under full central government control, and eradication efforts are gaining ground in the "merged" areas in transition from tribal authority or rule by former princes to full government control. The ban on opium poppy growing was extended to Buner in 1981 and continued to take increasing effect there in 1982. Enforcement in the Malakand Division is still spotty, however, and there is no enforcement in the tribal areas.

In addition, enforcement efforts by Pakistani authorities against drug trafficking have been increased quite considerably. In the Khyber Agency 27 heroin processing laboratories were surrendered during November–December 1982. Pakistani customs have stepped up their efforts to interdict heroin shipments. Nearly 1,500 kilograms of heroin were seized in 1982, more than three times the amount seized in 1981.

We are encouraged by this progress. While it is a good start, we recognize that much more needs to be done both in suppression of poppy growing and trafficking. The Pakistan Government knows how seriously the United States takes the opium/heroin problem. Attorney General Smith made this clear when he visited Pakistan in November. President Reagan emphasized our concern about narcotics to President Zia during his visit here last September [*December*]. President Zia has acknowledged that Pakistan has a serious domestic addict problem and publicly declared his serious concern about it. In conversations with President Reagan and other senior officials during his visit Zia said that we must cooperate to deal with this problem that harms Pakistanis as well as Americans.

SENATOR SARBANES. Does the progress that you refer to involve primarily the continued growing of opium, or does it also address the question which Senator Moynihan alluded to, and which may be the more critical one, of a significant amount of stored opium, in other words,

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opium and its illicit derivatives from being produced or refined for export to the United States, was introduced by Senator Moynihan and referred to the Senate Finance Committee on March 15, 1983, with no further action taken.

[6] Brackets are in the source text.

an available supply; he was saying that even if there were no further growing we would confront this problem over a rather extended period of years.

Does the progress you refer to address the second as well as the first?

SENATOR BOSCHWITZ. The second should include the processing of it also that Senator Moynihan spoke about.

MR. VELIOTES. It is my understanding that there has been progress across the board starting with the recognition at the highest levels of the Pakistani Government that this is a problem which is a Pakistani problem as well as an international or an American problem. It flows from that that there has been more cooperation actually on the ground in attempting to do something about this.

The figure that leaps readily to mind was 20 or 22 heroin- or morphine-based labs that were closed down I believe in the period shortly after the Attorney General visited Pakistan in the fall. There also is a program, I believe, which AID is responsible for which perhaps Mr. Greenleaf would like to address, which gets into the question of the actual growing of the opium and the question of substitute crops as I believe—perhaps you might wish to address that now.

MR. GREENLEAF. Should we do that at this point, Senator?

SENATOR BOSCHWITZ. Go ahead, as long as we are on the subject.

MR. GREENLEAF. Just a quick comment, that, of course, AID's involvement is on the economic development side, and we work very closely with the Bureau for International Narcotics Matters of the State Department, which is basically responsible for the enforcement aspects that Assistant Secretary Veliotes just alluded to.

We do have in our program in Pakistan at the present poppy clauses included in a great number of our project agreements that potentially impact on the poppy growing sections of Pakistan which are by and large in the Northwest Frontier Province.

These clauses, which vary from project to project depending on the situation, indicate that if any of the funds that are expended for these projects assist in any way in the development of opium, the project will be stopped and reimbursement will be required.

Point No. 2, we have underway in one of the tribal agencies of the northwest frontier a rural development project dealing with farmers who have in the past been growers of opium poppies. That project is underway as of this past year; we feel it will have an effect on people who have been in the opium-growing business in the past, or who potentially might be in the future.

The most important point I would like to make in terms of AID's activities, though, is the third one which pertains to a new project which we propose to mount this year in the Gadoon area of the northwest frontier. We believe that the Gadoon area is the source of approximately 25 percent of the opium poppies of the entire northwest frontier. In other words, we are going into what is probably the area of heaviest concentration in opium growing with a rural development project which we hope to obligate this year. And we have a fulltime narcotics development officer at post in Islamabad who is beginning to work on this.

SENATOR BOSCHWITZ. Is that Mr. Campbell?

MR. GREENLEAF. No. This is a different gentleman.

Stan Samuelson, who was referred to earlier, is a State Department employee who was involved in the Malakand agency, a State Department-funded Bureau for International Narcotics Matters project which is in effect separate from AID, although we collaborate with them.

So we have a number of activities, the most ambitious and clearly the most difficult of which is this Gadoon area project which is approximately a $25-million project which we are putting together for this year in part as a result of the intense interest on the Hill that we pursue some direct activities in poppy-growing areas.

Just one last fact which has not been stated up until now. In my conversations with the Pakistani officials, as well as from my own visit to the northwest frontier, it is very clear that the Pakistanis are concerned about this problem because there is an increased problem with drug addiction in Pakistan itself. That is a point that

we ought to mention: their response is not based simply on our pressure, but also on the recognition that the problem is increasing in Pakistan itself.

SENATOR BOSCHWITZ. I want to give you the assurance, Mr. Greenleaf, of this subcommittee, and I also speak with considerable ease for probably the great majority of my colleagues in the Senate that we do indeed have a very broad and continuing interest in this subject, and that we urge you on in your pursuit of reducing these poppies. I hope they do not crop up in another part of the region. As Senator Moynihan pointed out, it is like a brush fire. You put it out here and it starts up over there.

But clearly, whatever leverage we have, we should exercise; and we would like to have progress reports. As you hear something and learn something, and we will consider the amendment that Senator Moynihan has proffered.

SENATOR SARBANES. In that regard, Mr. Chairman, Senator Biden has requested that the record be kept open so that he may submit to our witnesses questions pertaining to this narcotics trade as it affects Pakistan. [7]

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[7] For AID's responses to additional questions submitted by Senator Joseph R. Biden, Jr., see *Security and Development Assistance*, pp. 401–403.

Document 436

Prepared Statement by the Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs (Schaffer) Before a Subcommittee of the House Foreign Affairs Committee, March 9, 1983 [8]

Foreign Assistance for Pakistan in Fiscal Year 1984 and Supplemental Assistance for Fiscal Year 1983

Mr. Chairman [9] and Members of the Committee, we are pleased to have again the opportunity to testify before the subcommittee regarding the Administration's proposed foreign assistance program for Pakistan in FY 1984 and the request for supplemental assistance for FY 1983.

U.S. Interests and Objectives Regarding Pakistan

South and Southwest Asia is a region of critical strategic importance to the United States, presently threatened by Soviet expansionism. We are committed to the search for peace and stability within the region and the safeguarding of the supply of oil critical to U.S. and Western security.

Pakistan is strategically located within this region. It is at the crossroads of South, West, and Central Asia. President Zia has described his country as the "backyard" of the Persian Gulf. Pakistan has been at the vortex of regional turmoil and upheaval for the last several decades.

The stability and security of Pakistan contribute importantly to meeting U.S. objectives in South and Southwest Asia. A stable Pakistan, one of the world's largest Islamic states, can serve as an anchor for the entire region, lending its considerable weight and influence to the cause of regional peace and harmony. Conversely, an unstable, insecure Pakistan adds to region-

[8] Source: *Foreign Assistance Legislation for Fiscal Years 1984–85: Hearings and Markup Before the Subcommittee on Asian and Pacific Affairs of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), Part 5, pp. 271–287.

[9] Representative Stephen J. Solarz.

al tensions and invites outside interference.

As a frontline state resisting Soviet expansionism, Pakistan has incurred additional security responsibilities. Faced with the Soviet presence across their border in Afghanistan, the Pakistanis have not succumbed to pressures to accept the new status quo. Instead, they have consistently led the international effort to condemn the Soviet presence in Afghanistan, while also contributing to the search for a peaceful resolution of this three year old crisis. Moreover, the Pakistanis have provided refuge to the nearly 3 million Afghans fleeing the fighting in Afghanistan. Our assistance program, which both bolsters Pakistan's security and symbolizes the firm U.S. support for this frontline nation, has been a vital element in making it possible for Pakistan to adopt and maintain its courageous posture despite Soviet bullying and blandishments.

Our assistance program is also designed to meet additional goals in our relationship with Pakistan. We believe that a program of support which provides Pakistan with a continuing relationship with a significant security partner and enhances its sense of security may help remove the principal underlying incentive for the acquisition of a nuclear weapons capability. In addition, our program of economic assistance also supports the Pakistan Government's efforts to suppress opium poppy production and contributes to the economic development and political stability of the country.

Given the volatile nature of past U.S.-Pakistani relations, it was essential at the outset of this reinvigorated security relationship to underline the U.S. commitment to support Pakistan's security and territorial integrity. For that reason, the Reagan administration, like the Carter administration before it, has specifically reaffirmed the continued applicability of the 1959 Agreement of Cooperation between the Government of the United States and the Government of Pakistan.[10] In the event of Communist aggression against Pakistan, the agreement commits the United States to take "such appropriate action" as may be mutually agreed upon. The Government of Pakistan has made clear, however, its intention to provide for its own national defense.

Our commitment to Pakistan's security is given both real and symbolic shape through the existence of our 6-year program of security and economic assistance and through our willingness to contribute to Pakistan's military modernization program. There have been no commitments made to Pakistan beyond the 1959 agreement and our intention to provide, subject, of course, to congressional appropriation, the levels of assistance contained in the 6-year, $3.2 billion package.

U.S. willingness to provide Pakistan modern military equipment is a critical element of our effort to reassure the Pakistanis about our steadfastness. The F-16's in particular have assumed for Pakistan an importance which goes well beyond the tactical benefits they give to Pakistan in facing potential aggression across their western border. They have also come to symbolize both the depth and credibility of the U.S. commitment to Pakistan's security. The Pakistanis saw inclusion in their F-16's of the same avionics as in the U.S. Air Force F-16's, as indicative of the degree of trust and confidence necessary if we are to forge a successful new relationship. Although we consider the more advanced equipment only incrementally superior to the type of radar warning system notified to the Congress under Section 36(b) of the Arms Export Control Act,[11] the Pakistani request for this equipment was subject to the most careful review. In light of the Government of Pakistan's assurances concerning its intention to protect U.S.-supplied sensitive technology, and in light of our assessment of Pakistani capability to provide that protection, we agreed to release the advanced equipment.

The foundation of our reinvigorated security relationship with Pakistan is the significant degree of congruity in our regional strategic perceptions. Both the United States and Pakistan agree on the need for a relaxation in regional tensions, including removal of the Soviet presence in Afghanistan, so that there can be greater political stability and economic development in the area.

The history of tensions between India and Pakistan has left the Pakistanis cautious about the nature of their relationship with their neighbor. This has not prevented the Indians and the Pakistanis from

[10] Signed at Ankara and entered into force March 5, 1959; for text, see 10 UST 317.

[11] 22 U.S.C. 2776 (b).

taking steps in recent months aimed at improving the atmosphere. We believe that there is a good prospect for the Indo-Pakistani bilateral relationship to continue to develop positively—and we welcome this.

Pakistan has generally taken a position on the Arab-Israeli dispute consistent with its Islamic ties. At the same time, the United States and Pakistan fully agree that a lasting, just, and effective peace in the Middle East is a key element in our mutual effort to enhance regional peace and stability. Pakistan welcomed President Reagan's September 1 initiative, [12] characterizing it as containing "positive elements." Although perceptual differences on the foregoing regional problems have, in the past, sometimes created difficulties in our bilateral relationship with the Pakistanis, our continuing frank dialogue with the Government of Pakistan is aimed at isolating such issues and preventing their becoming a source of disharmony in our overall relationship. We believe that the absence of unrealistic expectations about the nature of our ties with Pakistan will, to a large extent, reduce the likelihood of issues such as these creating significant problems in the larger relationship.

U.S. Assistance to Pakistan

The following is the breakdown of U.S. assistance to Pakistan for FY 1983–1985:

Year	*FMS*	*ESF*	*IMET*	*PL–480* [13] *Title I*	*PL–480* [13] *Title II*
1983	275	200	.8	50	4.6
1984	300	225	.8	50	7.4
1985	325	250	1.0	50	.....

The program outlined above is consistent with that presented to the Congress during the 1981 hearings on the Pakistan program.

In security assistance, Pakistan's most urgent requirement is the modernization of a professionally competent, but poorly equipped military. The centerpiece of our effort to assist the modernization program is the sale of 40 F–16 aircraft, the first six of which were delivered in January. Payments on these aircraft will continue through FY 1984 and 1985. Since the program was reestablished, we have also delivered, or are preparing for the transfer of, 100 M–48 tanks, howitzers, helicopters, APCs, and other urgently required items. We are also discussing with the Pakistanis additional eventual purchases along these lines, and such supplemental equipment as radars, night vision devices, and a variety of ammunition.

On the economic side, Pakistan's need for quick disbursing balance of payments and project aid is being met through our ESF program. In project assistance, the emphasis is on health care and family planning, agricultural and rural development, and narcotics control. Emphasis has also been placed on locating development projects in Pakistan's two most underdeveloped provinces, the Northwest Frontier Province and Baluchistan. Our projects for the most part span the life of the 6-year agreement. In 1985, we are projecting ESF funding of $250 million. A breakdown of our program is attached. [14]

As you know, the administration was unable to provide the targeted level of FMS guaranteed loan assistance to Pakistan out of the second Continuing Resolution for FY 1983. For that reason, we have requested an additional $75 million in FMS loan guarantees in our supplemental request. We believe that it is important that we make every effort to provide assistance at the agreed upon levels for two reasons.

First, on the basis of our 1981 understanding, the Pakistanis have undertaken obligations to U.S. defense contractors which, in FY 1983 alone, are in excess of

[12] Reference is to the Middle East peace initiative announced by President Reagan in an address at Burbank, California, September 1, 1982; see *American Foreign Policy: Current Documents, 1982*, p. 753.

[13] P.L. 480, 83d Cong., approved July 10, 1954, the Agricultural Trade Development and

[14] Printed in *Foreign Assistance Legislation for Fiscal Years 1948–85*, Part 5, p. 288.

$550 million. If U.S. assistance to Pakistan falls below targeted levels, the Pakistanis will be hard-pressed to meet their obligations.

We also need to take into careful account that we are at the very beginning of a major new program with Pakistan. The Pakistanis certainly understand the critical budgetary difficulties we face, and they appreciate the great lengths to which the administration has gone to provide as much funding as we have succeeded in providing to date. Nevertheless, a significant shortfall at such an early stage of our program would complicate our effort to build a credible relationship with the Government of Pakistan, which we require if we are to accomplish our overall strategic objectives.

Failure to provide the full measure of FMS credits during FY 1983 would also seriously disrupt the commendable progress to date of our carefully constructed program for the selective modernization of Pakistani forces.

In our February 23 hearing before this subcommittee, you asked about the possibility of covering the FY 1983 shortfalls through commercial borrowings.[15] We have investigated the possibility of a commercial loan of $75 million to the Pakistanis as a substitute for the FMS loan guarantees if the supplemental request fails. We have found that the differences between the two would have a significant impact on Pakistani payments. The first $150 million in FMS loan guarantees provided to the Pakistanis was at the rate of 10.125 percent, with a 3-year grace period and 9 years to repay, i.e., a total maturity of 12 years. Borrowing at commercial rates, the Pakistanis would likely be charged nearly 12 percent, with only 2 years grace and 5 years to repay, i.e., a total maturity of 7 years. As you can see, this would be a substantial increase. Moreover, the shorter repayment schedule on a hypothetical commercial loan would place the maximum impact of this loan between 1985–87, at precisely the time when we already estimate that Pakistan's overall debt service burden will be at its peak. Although the total debt service would be lower on commercial terms because of the shorter maturity, the annual payments would be less burdensome under the FMS loan program and the maximum burden will come somewhat later and will be much less severe.

Likewise, simply postponing the last $75 million in FMS loan guarantees to the FY 1984 request would seriously strain the ability of the Pakistanis to meet their FY 1983 obligations. We could not expect others to meet the shortfall.

Pakistan's International Relations

We believe that the program of security assistance which we have entered into with the Government of Pakistan will enable the Pakistanis to face more confidently the challenges they face as a result of the Soviet invasion of Afghanistan. After the Soviet invasion, there followed a series of pinprick attacks on Pakistan by Soviet air and ground forces. These challenges were brief incursions which penetrated only shallowly into Pakistan. The types of U.S. equipment which Pakistan has purchased will strengthen its deterrence and defensive capabilities.

Pakistan also continues to face the threat of a broader type of attack, i.e., a limited incursion designed to strike at Afghan refugee camps inside Pakistan which the Soviets consider to be sanctuaries for the Afghan resistance. Such an incursion would serve a secondary purpose of warning the Pakistanis of their vulnerability to attack. Our assistance will permit Pakistan to control its borders more effectively. Further, it will raise the threshold for that kind of activity.

We pointed out in our testimony in 1981 that we did not believe that our assistance will change to any significant degree the military balance between India and Pakistan.[16] This continues to be our assessment. We recognize that the modernization program undertaken by the Government of Pakistan will improve the capability of their forces to meet perceived threats from all directions. It is also clear that the experiences of the past, the closeness to the Indian border of Pakistan's key population and industrial centers and the historic concentration of its major military bases in the eastern part of the country inevitably mean that Pakistan will continue

[15] Reference is to questions asked by Representative Solarz; see *ibid.*, pp. 93–95.

[16] See the statement by James L. Buckley, Under Secretary of State for Security Assistance, Science and Technology, before the Senate Foreign Relations Committee, November 12, 1981, in *American Foreign Policy: Current Documents, 1981*, pp. 881–884.

to station substantial forces there. Since the Soviet invasion of Afghanistan in December 1979 the Pakistanis have also focussed on improving their forces oriented towards the Afghan border. It is worth noting, in this context, that Pakistan is a relatively narrow country so that equipment can be moved from one border to the other. Moreover, important new items of equipment have been placed in the center of the country, approximately equidistant from both borders. The F-16's, for example, are based at Sargodha, in the central Punjab.

Inside Afghanistan, the struggle of the Afghan people to free themselves from the Soviet invasion continues. We believe that the *mujahidin* have continued to improve their tactics and appear to be better armed. The U.N. effort to provide for a peaceful resolution of the crisis continues. The United States supports the U.N. talks consistent with the UNGA resolutions on Afghanistan approved by an overwhelming number of the members calling for: 1) the withdrawal of Soviet troops from Afghanistan; 2) the right of self-determination for the Afghan people; 3) the return of Afghanistan to its independent, nonaligned character; and 4) the return of the Afghan refugees in safety and honor. The Soviets hold the key to a peaceful resolution of this crisis. Until the Soviets indicate their willingness to negotiate a serious plan for the withdrawal of their forces from Afghanistan, there can be no progress on the additional points. Despite some early hints of possible flexibility in the new Andropov regime, there is so far no sign of Soviet movement in this area.

The last year did see some improvement in Indo-Pakistani relations. President Zia paid a brief visit to New Delhi on November 1, the first visit at that level since Prime Minister Bhutto traveled to India in 1972. His meeting with Prime Minister Gandhi was cordial and positive. Since then, the Indians and the Pakistanis have initialed an agreement to establish a Joint Commission to promote increased cooperation in a number of nonpolitical areas.[17]

We anticipate a continuation of these senior level exchanges in the coming months. President Zia and Prime Minister Gandhi will probably meet once again for a private discussion during the upcoming Non-Aligned Movement Summit in New Delhi. There will also be meetings at the Foreign Secretary level to conclude arrangements for the Joint Commission as well as to discuss earlier proposals for a treaty of friendship and a nonaggression pact. On the whole, we believe these are signs of an increasingly healthy relationship.

Our own ties with India have also improved over the last year. Both sides have considered it important for their own national interests to maintain a constructive relationship and to seek ways to strengthen cooperation, particularly through enhanced economic and commercial ties. While we continue to have differences over regional policies and perceptions, both sides seem to have a better understanding and appreciation for the other. Mrs. Gandhi's visit here last July played a major role in this regard. We have explained to India and Pakistan our desire to maintain fruitful relations with both countries and that neither bilateral relationship should be at the expense of the other.

With the establishment of the reinvigorated security relationship with Pakistan, the United States has become the major source of that country's modern military equipment. Nevertheless, Pakistan continues to receive important support from other countries, most notably the PRC. Pakistan has also acquired some equipment from other Western suppliers, in particular the French.

Nuclear Issues

Pakistan has continued to pursue a nuclear program that includes the construction of unsafeguarded reprocessing and enrichment facilities. These and other Pakistani activities are consistent with an effort to develop a nuclear explosives capability. If it chose to do so, Pakistan could realize this capability within the next few years.

In the past year, in the course of President Zia's discussion with President Reagan and other high level exchanges with the GOP, we have made clear that the new relationship between our two countries, and our program of military and economic assistance on which it rests,

[17] Indian Minister of External Affairs P.V. Narasimha Rao and Pakistani Foreign Minister Sahabzada Yaqub Khan signed the Agreement Establishing an Indo-Pakistan Joint Commission at New Delhi, March 10, 1983; for text, see Foreign Broadcast Information Service, *Daily Report: South Asia*, March 11, 1983, pp. E1-E2.

are ultimately inconsistent with the Pakistani development of a nuclear explosives device. President Zia has stated publicly that Pakistan will not manufacture a nuclear explosive device.[18] We believe that our ability to influence the direction of Pakistan's nuclear program depends on our ability to build closer ties with that country and continue our program of assistance—both of which will help address Pakistan's legitimate security needs and reduce Pakistan's incentives for nuclear weapons acquisition.

The United States has vigorously opposed exports intended for Pakistan's unsafeguarded nuclear program and has received good cooperation from supplier governments in controlling such exports when enough time and information could be made available to permit action under their laws. Nevertheless, Pakistan has succeeded in purchasing a substantial number of components for their nuclear program from companies in a number of nuclear supplier countries in recent years. The United States continues to work closely with exporting countries to improve our ability to control these sensitive exports.

With regard to the Indian reaction to Pakistan's nuclear program, in light of the history of conflict between the two countries we could expect New Delhi to be watching developments in Pakistan carefully. We hope that by encouraging Pakistani restraint in the nuclear area we will also help relieve Indian concerns.

Finally, in the commercial nuclear area, Pakistan has sought bids from nuclear exporting countries for the sale of a nuclear power reactor to be constructed at Chasma. We have made governments whose companies could be involved in such a sale aware that U.S. policy requires acceptance of safeguards on all of a country's nuclear activities as a condition of significant new supply commitments, and have urged them to adopt the same policy.

Human Rights and Democratization

Pakistan has now been under martial law for about 5 1/2 years. The Zia administration has made an effort to provide for some degree of representative government, most notably in the establishment of the Federal Advisory Council at the national level,[19] and in the promotion of local bodies at the municipal or county level. President Zia has promised new elections for the local bodies later in 1983.

Further progress toward the development of full representative government and an end to martial law awaits the completion of a proposed new form of Islamic government. President Zia has told Pakistani newspaper editors that the plan will be released later this year and will include a format for the orderly transfer of power to elected representatives. Zia also said it is his intention to provide for a system of government which would preclude the need for any further periods of martial law.

In the meantime, the Zia regime presently appears stable. The factors which led to earlier antigovernment upheavals in Pakistan, i.e., a poor economic performance, a united opposition, or a dramatic political development, do not seem to be present in the current climate. Moreover, the threat to Pakistan posed by the Soviet presence in Afghanistan has led many Pakistanis to value the internal stability provided by the current leadership.

The administration has continued to underline our hope that Pakistan will move toward a return to civilian, representative government, and our preference for working with democratically elected governments. We do not believe there can be any doubt in the minds of the Pakistani leadership about our position on these questions.[20]

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[18] While in Paris for a meeting with President Francois Mitterrand of France, President Zia of Pakistan said on January 25, 1982, that Pakistan would "in no circumstances" produce a nuclear bomb. (*Facts on File, 1982*, vol. 42, p. 133B3)

[19] President Zia announced that he had appointed a 350-member advisory council, December 24, 1981. (*Ibid., 1981*, vol. 41, p. 999D3)

[20] The Congressional Presentation, Security Assistance Programs, FY 1985, estimated the assistance provided to Pakistan in FY 1984 as follows: FMS Finance Program, Guaranty: $300 million; Economic Support Fund, Grants: $150 million, Loans: $75 million; International Military Education and Training Program: $0.8 million; Foreign Military and Construction Sales Agreements, Defense Articles/Services: $350 million; Commercial Exports Licensed Under Arms Export Control Act: $11.5 million; Overseas Military Program Management, MAP/IMET Costs: $0.405 million, FMS Costs: $0.946 million; Other Economic Assistance Programs, P.L. 480: $54.595 million; International Narcotics Control: $2.9 million. (*Foreign Assistance and Re-*

Continued

Document 437

Prepared Statement by the Assistant Administrator for Asia, Agency for International Development (Greenleaf), Before a Subcommittee of the House Foreign Affairs Committee, March 9, 1983 [21]

Economic Assistance for Pakistan

Mr. Chairman and Members of the subcommittee. I appreciate this opportunity to testify in support of the administration's economic assistance request for Pakistan. For Fiscal Year 1984, we are requesting $225 million in Economic Support Funds and $50 million in PL 480 Title I food aid. This represents the third tranche of the new package of economic and food aid for the period FY 1982–87, which we negotiated with the Government of Pakistan in 1981.

Overview of the U.S. Economic Aid Program

Our economic aid package is an integral part of the overall U.S. program of assistance designed to support Pakistan in its role as a "frontline" state and to bolster Pakistan's capacity to withstand pressures arising from the Soviet invasion of Afghanistan. But it is also a major development effort, designed to stimulate Pakistan's economic growth, and help meet the basic human needs of the Pakistani people.

The objectives of our assistance are to provide Pakistan with urgently needed short-term balance of payments support, and to stimulate the country's long-term economic and social development. Our 20 ongoing and planned development projects are heavily concentrated in the agriculture, population, health, and energy sectors, with special initiatives in private sector development and narcotics reduction. In support of the Government of Pakistan's own priorities, we are directing a substantial portion of our assistance to Pakistan's two poorest provinces: the Northwest Frontier Province (NWFP) and Baluchistan.

Our projects in the agriculture sector will strengthen research and extension services, rehabilitate irrigation systems, build new farm-to-market roads, improve on-farm water management, increase fertilizer inputs, and improve agricultural production, storage and distribution.

Our projects in the health and population sectors will help to control the incidence of malaria, and strengthen Pakistan's capability to provide primary health care services and mount an effective nationwide family planning program.

Our energy-related projects will help bring electricity to rural villages, develop Pakistan's indigenous energy resources, and increase the supply of fuel wood and wood products.

The main beneficiaries of our assistance are the rural poor. We will be measuring our success in terms of increased agricultural production, higher rural incomes, improved rural health services, reductions in Pakistan's population growth, increased energy production, more active participation by the private sector in economic development, and progress on the overall Pakistan–U.S. narcotics reduction effort.

The table attached at the end of this statement provides an overview of our proposed total economic and food assistance package for the period FY 1982–87. [22] Let me comment further on our planned assistance over the 6-year period:

—Nine projects were authorized in FY 1982; they are currently in the early stages of implementation. The other 11 projects are still in the design stage, with eight scheduled for authorization in FY 1983, and the remaining three in FY 1984. Thus, most of the additional ESF money we are requesting for FY 1984 is required to continue the funding and implementation of ongoing projects.

—The Economic Support Funds are being provided on a one-third loan and two-thirds grant basis. Thus, two-thirds of our economic aid will not be added to Pakistan's foreign debt burden; on the contrary, it will address Pakistan's urgent need for foreign exchange. The one-third being provided as loans will pose no

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lated Programs Appropriations for 1985: Hearings Before a Subcommittee of the Committee on Appropriations, House of Representatives, Ninety-eighth Congress, Second Session (Washington, 1984), Part 2, p. 1487)

[21] Source: *Foreign Assistance Legislation for Fiscal Years 1984–85*, p. 309.

[22] Printed *ibid.*, p. 311.

burden for the Government of Pakistan (GOP) in the near-term. Our loans are amortized over 40 years, with a 10-year grace period (in which only 2% interest is due), and 3% interest thereafter.

—The total package includes considerable amounts of quick-disbursing aid, calculated to provide Pakistan with short-term balance-of-payments relief: the annual $50 million increments of Title I food aid (edible oil imports); the annual $60 million increments for the procurement of agricultural commodities (primarily fertilizer) and equipment; and other imports linked to specific development projects (e.g. rural electrification).

—Two of our projects will have components designed to assist Pakistan in increasing its export earnings: (1) Private Sector Mobilization; and (2) Agricultural Production, Distribution, and Storage. The former will stimulate new private investments in export-oriented industries, e.g. agricultural processing and marketing geared to the development of new markets in the Middle East. The latter is designed to increase the level of agricultural products available for export.

—Two of our projects—Population Welfare Planning and Social Marketing of Contraceptives—will assist Pakistan in dealing with its very serious population problem.

—Two of our projects—Tribal Area Development and another Area Development project, probably in the Gadoon—will contribute to our narcotics reduction activities.

—None of our projects is designed to increase Pakistan's security posture. The Rural Roads project, for example, is only designed to provide farmers with access to markets outside their immediate area. We do not expect our aid to directly benefit Pakistan's defense industries.

Other Donor Assistance

The United States is, of course, one of many donors providing economic assistance to Pakistan. The 16-member Pakistan Consortium (4 multilateral and 12 bilateral donors, under the chairmanship of the World Bank) pledged a total of $1.2 billion in aid to Pakistan for Pakistani Fiscal Year (PFY) 1982–83. Of that total, the United States and the World Bank pledged approximately 20% each, the Asian Development Bank about 17 per cent, with the remainder divided among the other members. Pakistan also receives economic assistance from the Soviet Union, China, and the oil-producing countries of the Middle East; none of these countries publicizes the amount.

The Pakistan Consortium will be meeting again in April 1983 to pledge assistance for PFY 1983–84. The members will also want to review Pakistan's progress on the major program of structural reforms and policy changes urged on the GOP by the World Bank and the International Monetary Fund (IMF), with strong support from the United States and other donors. This program includes:

—A reorientation of public investments from the industrial to the agricultural, energy, and social sectors;

—Improvements in public sector enterprise performance;

—Encouragement of private investment and export promotion;

—Liberalization of the import system; and

—Further reductions in Government subsidies in the agriculture and energy sectors.

The Overall Economic Situation

The Pakistani economy continues to do as well or better than might be expected in the face of the worldwide recession. Over the past 5 years the Gross Domestic Product (GDP) has expanded at an average rate of 6% a year, with growth across all sectors. Growth in agriculture has averaged 4.1% a year; manufacturing has been expanding at an annual rate of 9.2%. This positive performance in recent years can be attributed to a number of favorable factors: GOP policy reforms, good weather conditions, relatively high prices for Pakistan's major exports (cotton and rice), substantial workers' remittances, and substantial aid from the donor community.

Last year (PFY 1981–82), real GDP increased by 6.3%, with the agricultural sector growing by 3%, and the manufacturing sector by 12%. The growth in agriculture was less than expected, due to a shortfall in wheat production. Major increases in fertilizer and refined sugar production accounted for the manufacturing sector's surge.

Also during PFY 1981–82, the GOP continued its cautious monetary and fiscal policies. Monetary expansion was held to 11%; official inflation was reduced to 12%; and, despite a shortfall in revenues, the budget deficit was financed without excessive domestic borrowing.

On the negative side, however, PFY 1981–82 saw a further deterioration in Pakistan's balance-of-payments situation, as a result of rising prices for Pakistan's major imports (oil and petroleum products), relatively depressed prices for Pakistan's major exports, a modest shortfall in remittances, and the effects of an overvalued rupee.

At this juncture, it is clear that the Pakistani economy remains highly vulnerable to exogenous forces. A large gap exists between savings and investment requirements. The private sector remains constrained by tight credit, and the Government's taxation, regulation, and labor policies. The dependence on workers' remittances and foreign energy suppliers is also excessive.

Oil Prices and Workers' Remittances

The massive contribution which remittances from Pakistanis who are working abroad make to Pakistan's balance of payments position can be seen from these statistics:

—The GOP expects workers' remittances in PFY 1982–83 to total almost $2.6 billion; this is more than double the amount of aid pledged by the Pakistan Consortium for PFY 1982–83;

—Last year, Pakistan's total bill for oil and petroleum product imports amounted to only 65% of the total of its remittances; and

—According to World Bank figures, Pakistan's balance-of-trade deficit in PFY 1982–83 will come to $3.4 billion, but due primarily to the projected workers' remittances, the current account deficit will be only $1.35 billion (a deficit which can be covered by net inflows from foreign aid and foreign exchange reserves).

Whether or not the recent reductions in oil prices will also mean a reduction in remittances from Pakistanis working in the Middle East oilfields remains to be seen. The GOP is currently projecting a 15% increase in remittances next year. A decline in remittances would, of course, be compensated by the very beneficial impact of cheaper oil prices.

The Foreign Debt and Military Expenditures

Another serious problem for the GOP is its growing foreign debt, which currently stands at about $12 billion. Pakistan's scheduled debt repayments in PFY 1981–82 totaled approximately $1 billion. As of December 31, 1981 the U.S. Government held $2.8 billion of Pakistan's foreign debt, or 21.7% of the total. The multilateral agencies held 24.8%, and the other bilateral consortium members held 22.5%. The remainder of the foreign debt is held by nonconsortium bilateral lenders (e.g. U.S.S.R., China, and OPEC) and the IMF.

As pointed out earlier, however, the U.S. economic assistance program will have very little impact on the amount of the GOP foreign debt. The table on the following page shows the projected impact of our total aid package (ESF, PL 480, and Foreign Military Sales) on Pakistan's debt service problem through 1995. It indicates that Pakistan's debt service ratio will reach a peak of 16.8% in 1987 (the last year of our proposed aid package) and that Pakistan's debt service ratio will actually decline in the out years, when the larger U.S. debt payments fall due. We consider the average 14.8% ratio projected over the entire period to be quite manageable.

Another potential factor in the equation is Pakistan's military expenditures. In PFY 1981–82 they amounted to about $1.5 billion, or 20% of the total GOP budget, and roughly 6% of GDP. Similar amounts and percentages are projected for the current fiscal year, and we consider these to be manageable levels.

Pakistan's Population Problem and AID's Assistance

With a current population of 90 million, Pakistan is the world's ninth most populous country. Its population growth rate of 3% is the highest in Asia, and almost double the world average. If present demographic trends continue, Pakistan will double its population in 25 years, and there would be little likelihood of the country achieving its economic and social development goals.

Many population programs have been launched by the GOP over the past 30 years, with massive support from the donor community. Yet most have failed,

due to a combination of administrative, technical, and managerial problems and social and cultural constraints. Nevertheless, the current Government, with the strong personal support of President Zia-ul-Haq, is committed to a major population/family planning effort.

The GOP's Population Welfare Plan for the period 1980–1984 recognizes both the seriousness of the situation, and the need to address the problems which caused previous programs to fail. We expect the GOP's new Sixth Five-Year Plan to place special emphasis on population activities, and to call for renewed donor support for population/family planning programs.

As I have already indicated, two of our new projects are in this area. They will help strengthen the GOP's institutional capability for population planning, research and evaluation, and provide logistic and commodity support for the provision of contraceptives through the public and private sectors.

AID's Narcotics Related Activities

In response to Section 126 of the Foreign Assistance Act (the Gilman Amendment),[23] AID is giving priority attention to efforts aimed at narcotics reduction. We are using our overall aid package as leverage to encourage the GOP to enforce its legislation banning the cultivation, possession, sale, and use of opium poppies.

AID is providing—or plans to provide—a significant portion of its new assistance in the poppy-growing areas of the country, in order to develop viable economic alternatives for those Pakistanis currently engaged in illicit narcotics cultivation and production. I have already mentioned the two AID projects designed to impact on the poppy-growing regions of the country. The Tribal Areas project will involve the development of water resources, rural road construction, and other rural development activities. The other Area Development project (which is currently being designed, and which will probably be in the Gadoon area) will also include a mix of rural development activities.

Other AID narcotics related actions include:

—The inclusion of so-called "poppy clauses" in most of the countrywide rural development, agriculture, irrigation, rural electrification, and energy projects,

—A written commitment from the GOP that none of AID's assistance will be used in any way that might contribute to illicit narcotics production;

—Close collaboration with the Department of State's International Narcotics Matters staff in the design and implementation of its rural development project in the Malakand Agency of the NWFP, and

—The establishment of a full-time U.S. narcotics project management officer on the staff of USAID/Islamabad. His function is to assure that—to the maximum extent possible—the entire U.S. project portfolio contributes to the narcotics reduction effort.

AID's *development* activities are, of course, just one part of a larger effort by the GOP and several U.S. Government agencies to reduce the flow of illicit drugs from Pakistan to the United States. I understand that in recent months there have been encouraging signs of progress being made on the *enforcement* side of the problem, with effective legal and police action by appropriate Pakistani federal and provincial organizations.

Progress on the development side is a longer-term proposition. We believe that our development activities will, in time, make a meaningful contribution to the total narcotics reduction effort.

The Afghan Refugees

AID's bilateral aid program does not directly support the Afghan refugee program; none of the ESF funds or PL 480 Title I food aid which we are requesting for FY 1984 are for the Afghan refugee effort. U.S. contributions to the refugee program are channeled through the World Food Program, the United Nations High Commissioner for Refugees, and the American Red Cross. The overall responsibility for channeling these U.S. contributions is vested in the Department of State's Bureau of Refugee Affairs. AID has an oversight role on the food shipments.

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[23] Section 126, by Representative Benjamin A. Gilman, was added to the Foreign Assistance Act of 1961, as amended, by Section 110 of the International Development Cooperation Act of 1979, P.L. 96–53, approved August 14, 1979; 93 Stat. 363; 22 USC 2151x.

At the end of calendar year 1982, the GOP had a total of 2.7 million Afghan refugees officially registered in Pakistan and receiving assistance. About 2.1 million were located in the NWFP, with the remainder in Baluchistan.

The GOP bears full responsibility for the entire refugee relief effort, and the burden on Pakistani resources is considerable. During the current fiscal year, the GOP will provide approximately $238 million of its own funds for direct support to the refugees. The indirect cost to Pakistan in terms of the depletion of natural resources, overcrowding of existing social service institutions, and higher unemployment and inflation in the refugee areas is virtually incalculable. Nevertheless, the Pakistanis continue to show remarkable support and good will to the Afghanis.

The table on the following page summarizes the levels of assistance currently being provided by the donor community.[24] Missing from the table are the large but never publicly revealed contributions from the Middle East oil countries. As the table indicates, the United States is the largest single donor.[25]

Our contributions to the United Nations High Commissioner for Refugees (UNHCR) support that organization's provision of tents, clothing, shoes, quilts, and medicine to the refugees. Our contributions to the International Committee for the Red Cross support its relief work in the refugee camps. We are providing Title II food (primarily wheat and edible oil) to the World Food Program (WFP).

Conclusion

In conclusion, Mr. Chairman, I would like to comment on the AID situation in Pakistan. Our new aid program clearly provides us with two major opportunities: (1) to make a substantial contribution to the overall U.S. effort to reestablish a long-term political, security, and economic relationship with Pakistan; and (2) to contribute to a significant improvement in the lives of the Pakistani people.

The United States has provided economic assistance in considerable amounts to Pakistan over the past 30 years; studies have shown that our assistance has played an important role in Pakistan's development. We are confident that the assistance we have proposed for FY 1982–87 will have a significant impact on Pakistan's future development.

[24] Printed in *Foreign Assistance Legislation for Fiscal Years 1984–85*, p. 309.

[25] In its presentation to Congress on Migration and Refugee Assistance, Fiscal Year 1984, the Department of State anticipated a U.S. contribution of $31 million plus available rupees in excess foreign currency accounts, about 30 percent of the estimated $115 million total Afghan refugee relief effort in FY 1984. (*Foreign Assistance and Related Programs Appropriations for 1984: Hearings Before a Subcommittee of the Committee on Appropriations, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), Part 1, p. 1246)

Document 438

Testimony by the Assistant Secretary of State for International Narcotics Matters (DiCarlo) and the Director for Pakistan, Afghanistan, and Bangladesh Affairs, Department of State (Kirby), Before a Subcommittee of the House Foreign Affairs Committee, March 18, 1983 (Extract)[26]

Linking Foreign Aid to Efforts To Deal With Illicit Narcotics Production

. . . . . .

MR. SOLARZ. Yes. Under the terms of the Rodino amendment, as you probably know, the President is directed to suspend aid or military sales to any country when he determines that the country in question is not taking adequate steps to control production or shipment of illicit narcotics.[27] Now, I gather it would be your testimony that in the case of Pakistan the President would be able to make such a determination, the determination being that the Pakistani Government is not

[26] Source: *Foreign Assistance Legislation for Fiscal Years 1984–85*; pp. 549–554.

[27] Reference is to Section 481 of the Foreign Assistance Act of 1961, as amended; 22 USC 2261; it was added to the Foreign Assistance Act of 1961 by P.L. 92–226, approved February 7, 1972; 86 Stat. 24.

taking adequate steps to control production or shipment of illicit narcotics?

MR. DICARLO. My problem with that, sir, is this: I don't know what "adequate measures to prevent" means. In drafting a statute, if adequate prevention means enough measures to prevent the drug from coming into the United States, if that is what it means, then I would say that there is not a country on the face of the Earth that is doing that.

MR. SOLARZ. I wasn't here when this legislation was adopted.

MR. DICARLO. I know. Though by a new standard I just saw this morning in a document—this was just given to me this morning as I walked in—there was a definition placed in a new bill (S. 813) [28] as to what constitutes adequate standards. I would say clearly under that definition, Pakistan would comply with it and would pass it with flying colors.

MR. SOLARZ. What legislation is this?

MR. DICARLO. That was a newly revised version of Senator Moynihan's bill of last year—S. 2670 [29]—which did not define what adequate measures was.

MR. SOLARZ. But this year's version does define it?

MR. DICARLO. I think it defines it in such a way that Pakistan would very easily pass the standard.

MR. SOLARZ. And could you read us the definition?

MR. DICARLO. This is under subdivision (d) (S. 813) and it states:

> "The term shall be deemed to mean only those actions which result in tangible, significant and substantial reductions in the levels of production or stockpiles or supplies to the United States of opium or any of its illicit derivatives."

I would say there are substantial reductions in Pakistani production. We have heard testimony and we have information that the production is beneath the level of Pakistani use. Therefore, they must be drawing down their stockpiles. So I would say under that definition, they would certainly meet that standard.

MR. SOLARZ. Right.

Well, would you support legislation to define adequate in those terms?

MR. DICARLO. No sir, I would not support that kind of legislation. The only legislation I would—

MR. SOLARZ. Why not?

MR. DICARLO. I would like to base my answer on the Senator's former bill, because I have read that and I have not read this bill. I would not support that bill, No. 1, because it is so vague, so indefinite that no one can make a proper assessment of really—where it was to apply and what it was to apply to.

No. 2, under the original bill—and I have not read this portion of the bill to see how it applies today—we would use the NNICC as the sole standard to determine adequate measures of compliance or noncompliance. I don't believe the NNICC, which has produced estimates a year or two after the figures come about, can under any circumstances be a proper standard.

No. 3, I think you might get involved in a dispute over what are adequate measures? Does it mean a country is spending enough of its resources? Does that mean that I would have to go into Pakistan to determine what percentage of their budget was being spent? You have other problems.

MR. SOLARZ. Let me ask you this—

MR. DICARLO. But I will get to the major point. I am an advocate for control, but I believe legislation of this type hurts the narcotics program for this reason: Where we are placing in the law that says we are going to give a person, we are going to have to have a certification of whether they are doing a good job or a bad job. Once we don't certify them, as not doing or doing a bad job, where does that put me when I go around to them or other nations are telling them that they are not doing enough? We have given them a certification.

In addition to that, what kind of position do you want to place the executive in? Do you want to make a choice between

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[28] See footnote 5 above.

[29] S.2670, 97th Congress, was introduced by Senator Moynihan and referred to the Senate Finance Committee, June 23, 1982, and no further action was taken.

placing our missiles in Italy or making a determination that perhaps we don't think they are spending enugh money in their budgets on narcotics control? I don't mean to say they are not spending enough, but this is the kind of thing that this type of legislation would do.

MR. SOLARZ. Let me ask you this. You made some very good points, obviously very thoughtful ones. They would have to be carefully considered. Do you think there ought to be any relationship between our foreign aid program in a country or our military sales to that country, and their efforts to deal with illegal or illicit opium production or refinement?

MR. DICARLO. I think that all of the facts and circumstances—our relationship between governments, what interests that government, what interests our Government—should all be taken into consideration in determining all assistance to a government. But I don't believe, even though I am an advocate for one issue, that we can base our relationship with the government on one sole issue, and I think that course would be disastrous.

MR. SOLARZ. So I gather you would be opposed to legislation that would flatly prohibit say, aid to Pakistan or perhaps any other country if it did not eliminate the illegal production of opium?

MR. DICARLO. I am not an expert, but I think the Congress has that before it every time a bill comes up. It can make that determination. What I oppose, however, would be to say that you are going to place the executive department in a position of coming in with some sort of a rating slip rated on one issue, and then based on that, saying no assistance, where we have other interests which could even be paramount.

MR. SOLARZ. Yes. In the case of Pakistan, and maybe in addition to yourselves, the Pakistani Desk Officer could answer, what would be the consequences if we adopted a provision requiring the termination of our military and economic aid program to Pakistan unless the Pakistanis had significantly or had in effect eliminated opium production in the country, virtually eliminated it, recognizing you could never eliminate it completely.

What would be the consequences? Would in fact the Pakistani Government proceed to virtually eliminate it regardless of the domestic price they had to pay, or would they simply throw up their hands and say, you have imposed an unacceptable requirement on us, and thanks, but we will have to do without your aid. What would be the consequences of the adoption of such a requirement?

MR. DICARLO. The consequences in Pakistan, I would leave to the Pakistani Desk. I would submit this is not only a bill for Pakistan, it deals with every country that processes heroin, every country where opium is grown, and I assure you if this came on the floor, it would be amended by Florida representatives to include coca and marihuana. I would also like to add that this kind of legislation not only cuts off assistance, but also cuts off all trade.

MR. SOLARZ. I am not necessarily advocating it, but I am saying what do you think would be the consequences in the Pakistani case if we adopted a requirement prohibiting any military or economic assistance unless they virtually eliminated opium production, and let's say the processing of opium as well.

MR. KIRBY. It seems to me—one can of course only speculate, but I would speculate that we would risk damage to a broad range of interests in Pakistan. First of all, on the narcotics control front, I think it is entirely conceivable that, to choose your formulation, the Pakistani Government would simply throw up its hands and say, well, under the conditions the United States is imposing, we don't think we can maintain any kind of worthwhile relationship with you.

I think if that happened, that is, if the aid relationship were totally ruptured, it would have serious implications for our efforts in the narcotics control field. I think it might well also have implications for our efforts to encourage nuclear nonproliferation in the subcontinent. I think it could even have implications for the close cooperation we are hoping to foster with Pakistan in other fields as well.

MR. SOLARZ. Is there any possibility at all that the Pakistani Government might decide to take whatever actions were necessary to eliminate the production, or wouldn't that even be considered on the grounds that it is impossible?

MR. KIRBY. Again, still speculating, and that is all I can do, I think a lot would depend on the language of the legislation.

I think the Pakistanis are serious people, their government is serious. I would identify myself with all the remarks this morning that we have heard about the will, the expressed will and intent on the part of the Pakistan Government to come to grips with the narcotics problem.

MR. SOLARZ. Please try to answer the question.

MR. KIRBY. I think that before deciding whether to cool relations with the United States markedly they would examine whether there is anything more they can do and I think they would examine the pace at which they thought they could proceed. I think they would in fact be willing to proceed up to the limits of their capacity. But I think—

MR. SOLARZ. But do the limits of their capacity fall short of the requirements of that legislation as I have described it?

MR. KIRBY. Clearly, in my judgment.

MR. SOLARZ. It does?

MR. KIRBY. I think so. I am not an attorney.

MR. SOLARZ. Your testimony would be that if we required the virtual elimination of production and refinement of opium in Pakistan by, say, within 1 year or even 3 or 4 years, that we would be establishing a requirement the government simply couldn't meet, even if it wanted to. Is that what you are saying?

MR. KIRBY. I think that is right. I can't get into the number of years. We already heard testimony this morning that says we don't have a collective judgment on how fast the Pakistanis could proceed even if the resources were available. [30]

MR. SOLARZ. We are talking here—most of the testimony has been basically on the merged areas. [31] That was several years into the future under the best of circumstances. But then you still have the tribal areas where there is ample room to increase production.

The reason I pose this question is that one can argue whether it is in the interest of the United States to make our entire relationship with the country hinge on their willingness to perform a certain action even if it is within their capacity to perform, because we have a multitude of interests, obviously. But it certainly doesn't make any sense to make our entire relationship hinge on the willingness of a government to perform an action which it lacks the capacity to perform even if it wants to perform.

I guess what I am asking you for is a judgment as to, not the wisdom of doing this, because as Dr. DiCarlo points out, you could argue we have a multiplicity of interests and even if they could do it, it would be unwise to establish this requirement. I am asking for a judgment about if we impose the requirement, could they, if they wanted to, meet the requirement? Or given the realities, is it simply beyond their capacity, no matter how great their determination?

Mr. DiCarlo.

MR. DICARLO. I would say if they wanted to put the effort in, do all the things they did before, the kinds of efforts they had to do, they probably can, considering the terrain, and technology involved. They would not be able to achieve a great deal more than they are now achieving, technically speaking, using acreage—

MR. SOLARZ. But you are saying two things. Let me make sure.

MR. DICARLO. This goes back to bringing the army in, all the policemen in, everything else.

MR. SOLARZ. You are saying two things. First, if they did all that, they could presumably substantially reduce production, but even then, not completely eliminate it.

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[30] An amendment to Section 481 of the Foreign Assistance Act of 1961, as amended, introduced by Senator Paula Hawkins, October 19, 1983, providing for the suspension of assistance to any country not meeting projected reductions in illicit drug production, was adopted by the Senate by a vote of 96–0, October 19, 1983, as part of the Senate bill authorizing Department of State appropriations for fiscal years 1984 and 1985. The House bill contained no comparable provision. The conference committee substituted a provision similar to the Senate amendment with additions providing flexibility to the President in determining whether to suspend U.S. assistance to an illicit narcotics-producing nation. It was enacted as Section 1003 of the Department of State Authorization Act, Fiscal Years 1984 and 1985, P.L. 98–164, approved November 22, 1983; 97 Stat. 1053.

[31] The Northwest Frontier Province where the heroin was produced is divided into settled, merged, and tribal areas.

Second I presume you would say it would be at the price of tremendous domestic upheaval?

MR. DICARLO. If you had this whole area taken in one fell swoop, yes. Do it tomorrow, do it completely by next year is what I am speaking to.

One problem—not a problem, a comment I would like to make. I think the worst thing that can happen is again doing something, doing it because the United States alone wants it done. One of the substantial problems we have is to make this become an international matter, to make it become a problem that Pakistan wants to eliminate because it perceives it to be a problem it has to face. To have us come in there and say, hey, if you don't do this, you are not going to get any money from the United States, is to again put on center stage that the only reason the Pakistani Government is doing something is because of pressure from the United States, and that is not true in the case of Pakistan.

MR. SOLARZ. You have raised the question, as has the representative from the Pakistan desk, of the problems that might be created for us in terms of our other interests in Pakistan—nuclear proliferation, Afghanistan, Indo-Pakistani relations, and the like. Looking at it purely through the prism of our concern over the narcotics problem, would it be your judgment, as the relevant Assistant Secretary of State, that legislation hinging our aid to Pakistan to either the virtual elimination of opium production and refining or making substantially greater progress than they have in eliminating it would be helpful or not? Is it your testimony that purely in terms of our ability to get the Pakistanis to make more progress in eliminating opium production and refining—such a requirement in the legislation would be helpful or unhelpful, productive or counterproductive?

MR. DICARLO. I would say first of all, it would be counterproductive because it sets a precedent for dealing with other countries and other states, and its impacts on our total efforts in the world would be devastating and would not be profitable even if we limited it to Pakistan.

MR. SOLARZ. Right.

MR. DICARLO. As far as, if you are asking me whether Pakistan was the only nation in the world we were dealing with and we had no other interests in Pakistan but a narcotics problem and we didn't have to worry about the worldwide impact and effects, it could have some marginal basis of accelerating it. We intend to go back—you mentioned an important point before. Where do we go from here? We have our first projects in and being developed. We have seen them accepted. They are now being absorbed in Pakistan. We would hope to go back to them and say where do we go from here in the remaining areas?

MR. SOLARZ. Actually, your testimony somewhat surprises me. Because I would have thought you would have said, forgetting everything else, forgetting our relationship with other countries, forgetting the precedent for how we deal with this problem elsewhere, and the multiplicity of our problems with Pakistan, looking at purely Pakistan with the narcotics problem alone, I would have thought you would have said that we have established a relationship with Pakistan on this issue, they have started to make progress on it, they have a program which has worked in some limited areas, that we have got their commitment to expand the program in other areas and if we establish such a requirement which they are likely to conclude is beyond their capacity to meet, the chances are that they will walk away from the existing program, which is beginning to work.

MR. DICARLO. You would have to take that in connection with my prior statements. I don't believe they can meet the requirement that it is going to be eliminated. That is a given.

My answer to that question is that marginally you may get something more done. You might destroy the relationship between two parties in the process of doing it although you may accomplish something marginally. But if the criterion you are using is the almost total elimination, I believe I have already answered that when I compared it to Mexico. Even in the case of Mexico where we have a government which will do all it can, where you have rugged terrain—in Mexico the areas are much more under the control of the government than they are in this area—you are still producing heroin which makes a fairly substantial portion of that which is imported into the United States.

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Document 439

Transcript of a Press Conference by the Secretary of State (Shultz), Islamabad, July 4, 1983 (Extracts) [32]

"Relationships Between the United States and Pakistan . . . Have Been Advanced"

SECRETARY SHULTZ. I would first like to express my appreciation to President Zia, to Foreign Minister Yaqub Khan, and to the people of Islamabad and the people of Pakistan generally for the hospitality with which I have been received, by the very thoughtful and enlightening conversations and the seriousness of purpose by which this visit has been treated. It has been a very fine experience for me, and I have benefited greatly from it. I feel that the relationships between the United States and Pakistan, important as they are, have been advanced through our discussions of a great many bilateral matters. First of all, those covered by our Joint Commission effort, where there are a number of things already in motion and others that will be developed by the Commission activities. [33] Second, by our discussion of various important bilateral matters. Particularly, it was interesting to me that on three different occasions we were able to discuss the narcotics problem, and I am greatly heartened by the reports that I was given on that. Finally, it has been a distinct privilege for me and my party to have this visit, marked as it has been by the chance to talk with the Afghan refugees and all the events surrounding that yesterday, [34] to have this visit capped by a most hospitable and warm dinner last night with President Zia and a wide ranging conversation with him and his colleagues. So again I express my appreciation for not only the hospitality but also the content that has come with it during this visit. Now I will be glad to have questions.

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Q. Mr. Secretary of State, while one can appreciate America's concern for strategic and security needs, what is the Reagan administration's concern for the violation of human rights and the absence of social justice to the peoples of Asia?

SECRETARY SHULTZ. Well, the people of the United States, the President, are concerned about human rights problems everywhere in the world, including in the United States. It is a subject that is built into the character of the American people, and so we are always alert to problems and we try in as constructive a way as we can to help in doing something about them.

Q. Your Excellency, this is Mir Abdul Aziz of UPP. I think that your government is aware of the burning issue of the future of the state of Jammu and Kashmir which has been disturbing the relations between India and Pakistan for the last 35 years. In the recent elections in Indian-held Kashmir, not only Mrs. Indira Gandhi's party but all other Indian parties have been rejected by the muslims of Kashmir which proves that the issue of Kashmir is very much there and can prove at any time a danger. The point is what steps the American Government is going to take to solve the issue of Kashmir which is very much there?

SECRETARY SHULTZ. I am not going to comment on questions of that kind, beyond saying this, that I found in India and I found in Pakistan a desire to improve the relationship between India and Pakistan. From the standpoint of the United States, a country that values its relationship with both countries, we certainly applaud that effort, we hope that it will, over a period of time, be eminently successful.

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[32] Source: Department of State Press Release 302, July 8, 1983, printed also in Department of State *Bulletin*, September 1983, pp. 40–42. For full text, see *ibid.* Portions of this press conference on Afghanistan are printed in document 416. During an official working visit to East and South Asia and the Middle East, June 25–July 7, 1983, Secretary Shultz visited Pakistan, July 2–4, 1983.

[33] The agreement establishing the Pakistan-U.S. Joint Commission on Economic, Commercial, Scientific, Technological, Educational, and Cultural Cooperation, signed at Washington and entered into force, December 6, 1982, is printed in TIAS 10623.

[34] For a statement by Secretary Shultz at the Nasrbagh Refugee Camp, July 3, 1983, see document 414.

Q. After the inaugural session of the Pakistan-US Joint Commission,[35] the economic relations between the two countries will take a new turn. What do you say? And when do you think the next meeting of the Joint Commission will be held?

SECRETARY SHULTZ. Well, the work of the Joint Commission, I am sure, will follow the suggestions made by Minister Yaqub Khan at the meeting, namely that we will establish three subcommissions. These subcommissions will get into the operational detail, and when they have produced something substantive for us to look at in the Joint Commission as a whole, then we will meet about that. We've had our overall meeting and we have put this process in motion. I think, as I remember your statement, you hope and I concur that we ought to have these subcommissions going before the end of the year. Again I call your attention to the fact that in each of the important areas involved there is already a lot of activity, so it isn't as though you have a standing start and you have to generate things. There is motion there. We think it can be accelerated, expanded, and qualitatively improved by the work of the subcommissions and the Joint Commission.

Q. The 3.2 billion [dollar][36] deal between Pakistan and the United States is an important part of the economic assistance, but the recent congressional debates and the cuts authorized to foreign assistance have been a cause of concern here. Have you given any assurances to the Pakistani side regarding the American commitment for foreign assistance?

SECRETARY SHULTZ. We have discussed this issue, and of course it is important to the President to get his program through the Congress. The issues involved, as we have discussed them here with President Zia, the Foreign Minister, are basically twofold. On one hand, there is the level and flow of assistance in terms of its magnitude and composition; and on the other hand, there is the question of the ability to plan for that continuing flow. Both problems are present. It is a problem that derives from our budget process in the United States, and we have done a variety of things about it including in particular the appointment of a commission headed by an eminent American, Frank Carlucci, who with a variety of others, and congressional involvement, are focusing on this issue.[37] But I think that we are going to [be broadly successful in][38] our effort and the picture looks good, but we do have always conflicts in the congressional authorization and appropriations process, and that is the Congress's constitutional [duty to][39] appropriate funds, and we work with them and trust that they will see matters our way.

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Q. Your excellency, don't you feel that the Russian attitude toward Pakistan has become stiffer day by day? In this background, can we trust you regarding our security?

A. Well, what the Russian attitude is toward Pakistan is a question I think the Foreign Minister should address himself to. As far as the United States is concerned, we have a close relationship with Pakistan. We have a security relationship with Pakistan, and we share concerns about Soviet behavior, particularly as it is exhibited in Afghanistan. We are supporting each other in the effort to deter Soviet aggression there, and I might say we have the same attitude as a worldwide proposition.

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[35] Secretary Shultz attended the inaugural session of the Pakistan-U.S. Joint Commission at Islamabad, July 2, 1983.

[36] Brackets are in the source text.

[37] Reference is to the Commission on Foreign Security and Economic Assistance and its Chairman, Frank C. Carlucci. The executive summary (pp. 1–4) of the Commission on Security and Economic Assistance, "A Report to the Secretary of State" (November 1983), is printed in *Foreign Assistance Legislation for Fiscal Year 1985. Hearings Before the Subcommittee on International Security and Scientific Affairs of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, Second Session* (Washington, 1984), Part 2, pp. 145–148. For information, see footnote 10 to document 74.

[38] The words "be broadly successful in" are added from the transcript of this press conference in U.S. Information Agency files.

[39] The letter "s" to the word "appropriation," the letter "s" to the word "Congress," and the letters "al" to the word "constitution" and the words "duty to" were added from the transcript of this press conference.

Q. How do you find the long-term prospects of a strong and enduring relationship with Pakistan?

SECRETARY SHULTZ. Well, I think the prospects for the relationship of the United States and Pakistan in the long-term are excellent, and the reason is that we are building this relationship on a solid foundation of bilateral interests that we have with each other. And then we are moving from that to interests we have in common about various problems around the world. But the foundation is the direct relationship between the United States and Pakistan, and as that grows it tends to be self-reinforcing. We are looking at it just as you implied in your question—as a long-term proposition and not as some sort of a quick relationship.

Q. How do you view your meeting with Zia Ul Haq?

SECRETARY SHULTZ. It was an excellent meeting from my standpoint. First of all, the President organized it as a small group of people, so we were able to sit around for the entire time and have intense conversation. We covered a wide range of subjects, and I found it a very worthwhile conversation. I might say, having met with President Zia before—this is my first time in Pakistan and over an extended period of time, that he comes across as a man of great ability and with a very wide range of knowledge and insights, and so I benefited greatly from the conversation.

Q. Does the American Government have interest in the restoration of elected democracy in Pakistan? Was this the subject of discussion with President Zia and what is the American reaction to such proposals as he might have been making?

SECRETARY SHULTZ. Of course, we are always interested in movements in the direction of democracy. It is my understanding that there will be a statement about this subject. I don't know what the contents of it will be, but there will be a statement about this subject in the middle of August. We look forward to that with keen anticipation.

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Q. Why is the United States still opposing the peaceful nuclear program of Pakistan?

SECRETARY SHULTZ. The United States Government is not opposing the development of nuclear power for peaceful uses in Pakistan. It was notable to me that President Zia went out of his way to assure me that that, and only that, was the objective of the Government of Pakistan. We discussed this last night.

Document 440

Transcript of the Department of State Daily Press Briefing, August 15, 1983 (Extract) [40]

Support For Ending Martial Law and Returning Pakistan to Elected Government

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Q. Do you have anything on Zia's political program in Pakistan and/or the violence that they had over the weekend?

A. Yes. With respect to the plans that President Zia announced about the ending of martial law in March 1985,[41] we welcome any step toward ending martial law and returning Pakistan to an elected government.

I can't really speak to the demonstrations other than to say that they were planned long in advance to coincide with Pakistan's independence day[42] and with President Zia's announcement. I would note there have been reports that indicate there were also demonstrations in favor of

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[40] Source: Office of Press Relations, Department of State. Alan Romberg, Department of State Acting Spokesman, conducted the briefing which began at 12:32 p.m.

[41] In a speech before the Federal Advisory Council in Islamabad, August 12, 1983, President Zia announced plans to amend and restore the Constitution of 1973 (in abeyance since 1977 when he took power) and to hold national elections by March 23, 1985; excerpts of this speech are printed in Foreign Broadcast Information Service, *Daily Report: South Asia*, August 15, 1983, pp. F1-F4.

[42] August 14.

the President's plans. Obviously, there is some disagreement within the opposition as to whether or not to participate in the called elections.

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Document 441

Address by the Deputy Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs (Marshall) Before the International Nuclear Law Association, San Francisco, September 12, 1983 (Extracts) [43]

U.S. Opposition to Pakistani Unsafeguarded Nuclear Power Development

The meetings of the International Nuclear Law Association (INLA) every 2 years provide a timely opportunity to reflect on international nuclear energy development and nonproliferation policies. As nuclear lawyers, we are specialists engaged in negotiating, contracting, and other pursuits which in some manner relate to nuclear energy—a technology which can provide the answers to our energy security needs but a technology which, if misused, can lead to profound consequences. Indeed, this concern has been a cause of frustration in many of our legal endeavors, but hopefully we can view it as a challenge to be overcome through the exercise of our legal skills. The problems posed by proliferation obviously cannot be ignored in our work in the nuclear field, and, indeed, we have the opportunity, through our efforts in international lawmaking, to make meaningful contributions to preventing the further spread of nuclear arms. With this premise in mind, I would like to assess what has been accomplished since the beginning of the administration of President Reagan and what challenges remain in reaching nonproliferation goals and improving international nuclear cooperation. Let me first reflect on some historical background.

Eight years ago, at the time of the INLA meeting in 1975, many of the nonproliferation problems the international community now faces were already before us or were looming on the horizon. A nuclear device had been detonated the previous year in India, and there were growing concerns in some quarters that additional proliferation would follow.

In 1977 a new administration had established itself in Washington with some strong views on how best to deal with proliferation. By the time of the INLA meeting that year, that administration had announced its nonproliferation policy and how it would be carried out. This policy included some approaches which departed quite significantly from previous U.S. practices. By 1979, when INLA next met, the full effect of the new U.S. policy had been experienced in varying ways in the United States and around the world. Many aspects of this policy were not well-received by other nations engaged in nuclear power development. Much of the new U.S. effort centered around an initiative to seek abandonment of reprocessing spent fuel in favor of a once-through cycle.

In January 1981, when the Reagan administration assumed office in Washington, it was immediately confronted with a number of proliferation concerns. One of a serious magnitude centered principally on certain extant activities and intentions in South Asia. A general problem that was readily apparent was that cooperation with other suppliers had been hampered by their dissatisfaction with the policies of the previous administration. This was particularly true with respect to controlling exports of nuclear equipment of a sensitive nature and preventing exports for unsafeguarded purposes.

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Since early 1981, the United States has undertaken a major effort in South Asia to deal with the underlying causes that might lead to proliferation in the subcontinent. The United States has provided significant foreign assistance to Pakistan to improve upon our longtime alliance. For example, nearly $275 million was provided in 1982 and $585 million is estimated for 1983

[43] Source: Department of State *Bulletin*, November 1983, pp. 56–57. For full text, see *ibid.*, pp. 56–58.

which amounts to a doubling of our efforts—much of this in the form of increased military assistance.

Stability in South Asia had become understandably shaken in late 1979 by the Soviet invasion and occupation of neighboring Afghanistan. U.S. assistance has permitted Pakistan to strengthen its conventional defensive capability. This serves to bolster its stability and thus reduce its motivation for acquiring nuclear explosives. In addition there have been discussions between our two countries at the highest levels which have led to greater understanding of the need to avoid activities which raise concerns regarding proliferation in the region.

The United States does remain concerned with certain Pakistani plans—specifically any unsafeguarded operation of its new labs reprocessing plant and its continued efforts to complete construction of an unsafeguarded enrichment plant. Because of the development of these unsafeguarded facilities, built in large part through the use of imported Western technology and equipment, our position has been that suppliers should not cooperate in the development of the nuclear power station now planned to be built in Pakistan. This position is consistent with longstanding U.S. policy of seeking to have all nations require comprehensive safeguards as a condition of major new supply. We hardly believe it appropriate for Western suppliers to provide Pakistan with nuclear technology while the government there continues with its development of unsafeguarded facilities which have a destabilizing effect on the global nonproliferation regime.

What will evolve in Pakistan, and India as well, remains to be seen, of course. The United States intends for its part to continue to take actions to bolster security in the South Asian region in furtherance of its approach of dealing with the underlying causes of proliferation.

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Document 442

Transcript of a Press Conference by the Secretary of Defense (Weinberger), Islamabad, October 2, 1983 (Extracts) [44]

U.S. Role in Strengthening the Defense of Pakistan

Good Morning, ladies and gentlemen. I have a very short statement here and then I'll be glad to try to take any of your questions. We've had a very beneficial and a very full schedule of events here in our visit to Pakistan, and this has been my first visit to this very beautiful and strategically located and important country. Indeed I am told this is the first visit that any United States Secretary of Defense has made to Pakistan, and I would just like to say that we've had extraordinarily cordial treatment, very warm hospitality, fully living up to the reputation of this country, and very informative discussions with the President, with the Minister of Defense, [45] who is here this morning, and with other senior officials. And I think these have been very useful in every way. We've all increased our understanding of Pakistan's enormously important position and the efforts that Pakistan is making to increase the strength of her own defense and therefore that of the free world. I was especially moved yesterday by my trip to the northwest frontier and the refugee camp, [46] and I could certainly share the anguish that anyone must feel over the cruel and current fate of their homeland, and of their families and themselves, and this of course is all directly due to the Soviet invasion of their homeland. Along

[44] Source: *Public Statements of Secretary of Defense Weinberger, 1983*. This press conference took place at the airport beginning at 8:15 a.m. before his departure from Pakistan. Secretary Weinberger visited Pakistan, September 30–October 2, as part of a trip to Honolulu, September 22–23; Tokyo, September 24–25; Beijing and Xian, September 25–29; Shanghai, September 29; Hong Kong, September 29–30; Colombo, September 30; Islamabad and Rawalpindi, September 30–October 2; Cairo, October 2; and Rome and the Vatican, October 2–3, 1983.

[45] Ali Ahmad Talpur.

[46] Secretary Weinberger visited the Khyber Pass on the Afghan border and the Afghan refugee camp at Nasrbagh, near Peshawar, October 1, 1983.

with all other free men, I can also share the refugees' determination to see Afganistan rid of Soviet forces and to see its independence restored. In this regard, I think we can all say now that we have even greater admiration for the very courageous and hospitable role that Pakistan has played in receiving and caring for these millions of refugees. I'd also like to emphasize the value which the United States places on its relationship in all of its forms, military, economic, and just as friends with Pakistan. We recognize fully the contributions that Pakistan is making as a leading nonaligned and Islamic state to regional peace and security, and we are very proud in the United States to have a role in trying to help the people of Pakistan to strengthen their own defenses and to help advance their economic development. And I'll be very glad now to try to take any of your questions.

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Q. Before you came here. . . . [inaudible].[47] Can you discuss this point during the talks here and what was the result of it?

A. The FMS program that we have for Pakistan is of course governed by our laws and our rules and those rules require annual appropriations by the Congress. Our administration and our government has made a commitment to Pakistan for the full amount of the aid—some $3.2 billion—over the period of years called for in the program.[48] We will make every effort we can to make sure that every dollar of that is appropriated by the Congress and distributed to Pakistan. Obviously we have no complete control over the Congress, but we will make every possible effort that we can, and I think a very encouraging thing is the fact that two congressional delegations have called on the leaders of Pakistan very recently and have been able to see for themselves not only the need, the importance of Pakistan remaining strong and free, and I would very much hope that on the basis of that and other visits which are to come [and] other visits which we've had, that the full amount will be appropriated. We'll certainly try our very best, I can assure you of that. Because we're absolutely committed to doing everything we can to get the full amount for Pakistan.

Q. In view of serious airspace violations by Afghanistan, what will be your and the Defense Department's reaction if Pakistan decides to shoot down a MIG–21?

A. Well, I never answer hypothetical questions, but any violation of any country's airspace or landspace or sea, of course, is a very serious violation. There is no way that this last violation can possibly have been called accidental.[49] And deliberate violations of that kind are fully in keeping with the policy of the Soviet Government as demonstrated by the way in which they shot down the Korean airliner without any compunction whatever, murdering 269 men, women, and children who were totally innocent of any participation. It is a serious violation by the Soviets and their further, additional violations would certainly compound the problem.

Q. You have been aware that the Indian Prime Minister and the Indian Minister of External Affairs[50] have been issuing statements which are tantamount to interference in Pakistan's internal affairs and if there are people in Pakistan who fear that they may interfere in Pakistan's internal

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[47] Ellipsis and brackets are in the source text.

[48] For the announcement of the 1981–1986 (fiscal years 1982–1987) program of U.S. military and economic assistance on June 15, 1981, see *American Foreign Policy: Current Documents, 1981*, p. 865–866.

[49] At a press conference in Islamabad on September 20, 1983, Pakistani Foreign Secretary Niaz A. Naik said that Afghan aircraft violated Pakistan's airspace 10 times, September 18–19, 1983. He confirmed that on September 18, 1983, six MiG aircraft bombed the area near Parachinar injuring six persons. Naik said that he had protested nine additional violations to the Afghan Chargé in Islamabad, September 20, 1983, and that Pakistan had discussed the intensification of violations of its airspace with the Soviet Chargé in Islamabad. He said that Pakistan in accord with its policy of patience and restraint did not order its aircraft sent to the area of the violations to take action against the intruders. (Foreign Broadcast Information Service, *Daily Report: South Asia*, September 21, 1983, p. F1) A letter of September 21, 1983, from the Pakistani Representative to the United Nations, S. Shah Nawaz, to U.N. Secretary-General Javier Pérez de Cuéllar, informed the United Nations of these violations of Pakistan's airspace and of Pakistan's protest to Afghanistan over them. (U.N. document A/38/443–S/16001)

[50] P.V. Narasimha Rao, Minister of External Affairs of India.

affairs, what will be the reaction of the American Government at the time? [51]

A. Well, the American Government's reaction, of course, would depend on what actions were taken. We certainly do not interfere in the internal affairs of any country, including Pakistan, and I wouldn't have any further comment on that. I think the Pakistani Government is fully capable of taking care of any problems that might be caused by anything that could be construed as interference, but I make no comment on it.

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Q. Is the United States concerned with the anti-American feeling in the political opposition in Pakistan? I refer to the burning of the American flag in a public meeting in Karachi last week and the statement made by the MRD on your arrival that if the U.S. aid continues then the United States will suffer the same fate here that it suffered in Iran. [52]

A. Well, there is anti-American feeling in a great many places, including America, and I think that what we have to bear in mind is what the majority of the people feel, what the government itself, what position they're taking, and I would say that I came with an awareness of the importance of maintaining very good and friendly and cordial, mutually cooperative relationships with Pakistan, and certainly I leave this morning with that feeling very much reinforced, and I know that there will be sporadic outbursts from time to time of people who are on the other side, people who occasionally support the Soviet Union, people who feel that any assistance to any country is somehow wrong, but I haven't encountered anything but very strong and warmly supportive opinion with respect to the United States and I think that we all can be very grateful for that in the United States. There are certainly going to be individuals and individual demonstrations from time to time—the things of the kind you referred to—but that is not anything that I think either would or should be allowed to interfere with the kind of relationship that we need in this sort of a very troubled world, parts of which were described by this gentleman's question just a moment ago. [53]

Q. Does the current administration accept the Carter Doctine regarding the Gulf? [54]

A. Well, I don't know that there has been any change in the American position before, during, or after the Carter or the Reagan administration with respect to the importance of maintaining freedom and independence of the Gulf states and free access to its resources.

Q. Could you discuss some issues related to the strategy consensus between the United States and Pakistan in view of the trouble in [inaudible]?

A. Well, I don't know what a strategy consensus is. We discussed the fact that we have a lot of shared objectives with respect to the maintenance of freedom. We discussed a number of things including assessments, our mutual assessments of the nature of the Soviet threat, and we concluded, as we've done every time before

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[51] In a letter of September 4, 1983, to Prime Minister Indira Gandhi of India, President Zia-ul-Haq of Pakistan urged the Indian Government to observe the principle of noninterference in the internal affairs of Pakistan in letter and spirit. President Zia referred to a letter of August 26, 1983, from Prime Minister Gandhi to him and to a statement by her mentioning the internal situation in Pakistan and steps taken by the Pakistani Government toward its nationals. For information, see Foreign Broadcast Information Service, *Daily Report: South Asia*, September 26, 1983, p. F1.

[52] The statement under reference by the Movement for Restoration of Democracy, a coalition of nine Pakistani opposition political parties, was not further identified.

[53] The question under reference reads as follows: "In your airport statement referring to the brutality of the Russian forces in Afghanistan you referred to the recent incident of shooting down of the passenger plane of Korea. I think during the period of four years this was the third act of brutality, barbarism, and aggression: Poland, Afghanistan and this shooting, these evils have shaken the world conscience up to the level of condemning the Russian positions. How many more issues, do you think, of this nature will require to awaken us to realizing the need of some positive and concrete steps to stop this thing?"

[54] The statement in President Carter's State of the Union Address before a joint session of Congress, January 23, 1980, referred to as the Carter Doctrine reads as follows: "An attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the United States of America, and such an assault will be repelled by any means necessary, including military force." (*American Foreign Policy: Basic Documents, 1977–1980*, p. 55)

when we've had discussions, that it is vital that we work together and work in a mutually supportive way to secure these shared objectives.

Q. The Soviet Union has provided India the latest weaponry and it has also brought the latest weaponry into Afghanistan. Don't you think that Pakistan forces need modernization and latest weaponry?

A. Well we're giving and working with Pakistan to try to provide very advanced weaponry. We don't have anything much more advanced than the F–16, and we are doing all that we and Pakistan feel is essential to the very necessary strengthening of the Pakistan Defense Forces. As I said earlier, I very much hope that we'll work very vigorously to make sure that we continue to do that in accordance with the agreed upon plan, the plan agreed upon by both Pakistan and the United States, and that calls for the transfer of some very advanced weaponry.

Thank you very much.

Chapter 13. East Asia

A. Regional Policies and Developments

1. General Statements of U.S. Policy in Asia

Document 443

Prepared Statement by the Deputy Assistant Secretary of Defense (International Security Affairs) (Armitage) Before a Subcommittee of the House Foreign Affairs Committee, February 23, 1983 [1]

Security Assistance in East Asia

Mr. Chairman, thank you for this opportunity to offer comments from a Defense perspective on the administration's FY 1984 foreign assistance request for East Asia and on its FY 1983 supplemental request. We feel very strongly as a Department and I am personally convinced that a strong, coherent, and reliable security assistance program, adequately funded by Congress, is an absolutely essential complement to our efforts to strengthen America's defenses. Had you not asked me, I would have asked you for this opportunity to register my strongest support for the administration's foreign assistance requests which are under consideration by this committee, particularly those portions pertaining to East Asia and the Pacific. I have been heavily involved in their preparation. I am certain that they are fully justified. If anything, they are less than we really need because of our efforts to keep the requests to minimum prudent levels in view of economic constraints.

Mr. Chairman, you asked that I address several questions in my statement. Some parts of these questions are more appropriately addressed by others, for example, those which deal with the administration's general foreign policy stance and the mix between economic and security assistance. On those, I will defer to my colleagues. In my remarks, I will address those portions of each question which are of particular concern to Defense.

The security of East Asia and the Pacific is vital to the security of the United States. Five of the seven defense agreements to which the United States is a party are located there, including bilateral treaties with Japan, Korea, and the Philippines; the Manila Pact [2] which adds Thailand to our treaty partners; and the ANZUS treaty. [3] Each and every one of these agreements is more important today than on the day it was signed. The security of the United States has become increasingly interdependent with that of each of its Pacific allies.

During the past decade and a half the Soviets have taken disturbing steps to improve their military capabilities and expand their influence throughout the region. Their efforts continue unabated. The war between Vietnamese occupation forces and the Khmer resistance forces continues in Kampuchea with cross-border incursions into Thailand and attendant dangers to the security of our Southeast Asia ally. North Korea continues to expand and modernize its armed forces which are offensively configured and which already exceed any rational measure of purely defensive requirements.

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[1] Source: *Foreign Assistance Legislation for Fiscal Years 1984–85: Hearings and Markup Before the Subcommittee on Asian and Pacific Affairs of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session*, (Washington, 1983), Part 5, pp. 3–13. Armitage was Deputy Assistant Secretary of Defense for East Asia and Pacific Affairs.

[2] Reference is to the Southeast Asia Collective Defense Treaty signed in Manila on September 8, 1954, by the United States, Australia, France, New Zealand, Pakistan, the Philippines, Thailand, and the United Kingdom, which came into force on February 19, 1955, when it had been ratified by the eight signatory states. (6 UST 81)

[3] For text, see 3 UST 3420.

READEX FICHE

To maintain the security of the United States, our allies, and our SLOCs against the growing Soviet threat and to maintain regional security, we rely principally on our allies to meet local threats while maintaining forward deployed forces in Korea, Japan, and elsewhere in the Pacific to fulfill our commitments to our allies and to meet the Soviet threat. We are urging all of our allies to do more in the common defense. Three of our six Pacific allies are capable of doing so without U.S. security assistance. However, the other three look to us for financial support and they—the Republic of Korea, Thailand, and the Philippines—would receive the major portion of the East Asia FY 1984 request for security assistance. Korea and Thailand are also the only countries in the region for which we are seeking increases over the FY 1983 FMS credit request.

Both we and our Japanese allies consider stability on the Korean Peninsula to be essential to the security of Northeast Asia. The U.S. commitment to the defense of the ROK is manifest in our forces stationed there who, if deterrence failed, would be engaged immediately alongside ROK forces under the only combined US/Allied command outside NATO. The least expensive and most effective way to improve the capabilities of the US/ROK Combined Forces Command to defeat, and thereby deter, a North Korean attack is by assisting the ROK to improve the capabilities of its forces. Increased FMS credits for Korea therefore are the most cost effective way to accomplish the improvements needed to defend our interests in Northeast Asia.

Increased credits are also essential to our credibility with our Korean allies, who at great sacrifice are increasing their defense capabilities and contributing to the costs of U.S. forces as well. The Koreans believe that their efforts make it not unreasonable to ask the United States to help them make their purchases now, when they are needed, by offering substantial amounts of credit. Successive Secretaries of Defense have agreed and pledged their best efforts to provide the needed credits. However, as one of the largest programs not earmarked traditionally by Congress, the Korea program is usually the one to suffer most when Congress cuts the budget or leaves us with a continuing resolution. As a reliable ally who is doing virtually all that we ask in its defense efforts, the ROK deserves better treatment.

The United States is committed to the security of Thailand by the Manila Pact. American troop presence is the main symbol of our commitment to our other frontline East Asian ally, Korea. For Thailand, the symbol is our willingness to provide security assistance support. Not only Thailand, but the other ASEAN states and, undoubtedly, Vietnam and the Soviet Union as well, look to our security assistance for Thailand—the ASEAN frontline state—as a major indicator of U.S. security interests in the region.

Unhampered use of the facilities at Clark AB and Subic Naval Base is very important to our forward deployments in the Western Pacific and to our ability to project forces into the Indian Ocean. This is the strategic rationale for making good on the levels of assistance pledged by President Carter at the conclusion of the 1979 amendment to the Military Bases Agreement.[4] The value of the bases is further enhanced by improvements in the capability of the Philippines to contribute with the United States to the mutual defense of their country, including defense of the bases.

The remaining major recipients of security assistance in East Asia are Indonesia and Malaysia. Although nonaligned, Indonesia and Malaysia are friendly nations who maintain positions on numerous issues, including rights of passage through critical SLOCs, which are compatible with U.S. policy. United States support for efforts to modernize the defense forces of these countries helps to maintain their confidence in their ability to resist intimidation from the growing Soviet power projection capability in Southeast Asia. It thereby helps assure friendly flanks for the strategic straits through which shipping critical to the security and well-being of the United States and its allies must pass.

As you can see, Mr. Chairman, there is strong and compelling strategic rationale for our security assistance to all of our major East Asia and recipients. Our security assistance programs complement and support U.S. forward deployments in the region. Moreover, through their contribu-

[4] For text of President Carter's pledge, which was contained in his letter to Ferdinand E. Marcos, President of the Republic of the Philippines, dated January 4, 1979, as well as the 1979 amendment to the Military Bases Agreement, see, respectively, 30 UST 886 and 30 UST 863.

tions to standardization and interoperability of equipment and to mutual understanding of tactics and operating procedures, they enhance our collective ability to deal with the increased threats to peace and security in East Asia.

In addition to security assistance, we are engaged in a broad range of planning and training activities with our Asian friends and allies which improve our ability to coordinate efforts and enhance our joint ability to deal with regional threats and with the regional manifestation of the global Soviet threat. Secretary Weinberger visited each of our East Asian allies last year to assure them of the continued steadfast commitment of the United States to their security. He also urged them to improve their defenses and work with us to improve the coordination of our efforts. In our annual consultations with Japan we made progress in refining our respective roles and missions in the defense of Japan. Joint planning and joint training exercises with our Asian allies further improve our capabilities for wartime cooperation.

The International Military Education and Training (IMET) program is probably the most cost-effective program we have for enhancing cooperation with our friends and allies. By helping countries afford technical training of more personnel in U.S. military schools, it improves their ability to make best use of U.S.-origin equipment. Common equipment and common procedures enhance cooperation.

The most enduring payoff of IMET, however, is probably its professional education component. The payoffs are intangible and hard to document or measure. But every United States military officer I know who has had duties requiring him to deal with foreign military forces attests to the value of IMET. Professional military education in the United States will not guarantee that a foreign officer will always agree with American ideas but it does increase the probability that any disagreements will be substantive rather than the result of misunderstanding or faulty assumptions. Moreover, the associations formed with American officers can generate a reservoir of good will toward the U.S. Armed Forces which will enhance future cooperation throughout the foreign student's career. It makes a tremendous difference in our ability to communicate and coordinate when there is preexisting mutual understanding and when we can begin without many of the cultural and perceptual obstacles that might otherwise exist.

A major problem in carrying out the IMET program has been brought about by our budget process itself. Most training, particularly the longer courses, involves major personnel actions which require dislocation of the affected officer and his family, require assignment of a replacement, etc. The better military establishments plan these actions well in advance. For IMET recipients, this means programming personnel for the training on the basis of the administration's request; it would be too late if they waited until the budget is approved. If the budget is cut, requiring reductions in the country programs, many foreign soldiers are inconvenienced, some of them severely. In those cases, what should have been a good experience which promotes a positive U.S. image, becomes its opposite. We put the recipient countries in a dilemma. If they underprogram, they risk being unable to fill the training quotas when they are available; if they program fully, they risk the human costs I have described. Most adopt the latter course rather than risk losing training. The program is a small item in the total budget. We should be able to fully fund it.

Turning now to specific country requests, I will address your remaining questions on the relative portion of each country's defense effort underwritten by U.S. aid, likely consequences of FY 1983 cuts, and reasons for the country levels. I will not repeat the statistics presented by Assistant Secretary Wolfowitz. [5]

Indonesia spends 3 percent of GNP on defense, 11.4 percent of the total budget. Our security assistance is equivalent to 1.5 percent of the Indonesian defense budget. Failure to pass the supplemental request would jeopardize ongoing programs for C–130 overhaul and purchase of ammunition war reserves which require $36 million in FY 1983, and provide no support for Indonesia's modernization programs. Failure to provide requested FY 1984 levels could cause serious impairment of Indonesia's modernization programs and new procurement, including artillery, com-

[5] For statistics presented by Assistant Secretary Wolfowitz, see *Foreign Assistance Legislation for Fiscal Years 1984–85*, Part 5, pp. 21–53.

munications and logistics support systems. It would have repercussions on the credibility of assurances given by the President and the Secretary of Defense that the United States would continue its strong support for Indonesia's defense requirements.

FMS credits underwrite a significant portion of the ROK's defense procurement from the United States which is expected to total $4.7 billion during the period FY 82–86. Korea spends 6 percent of GNP on defense—more than 35 percent of its budget—and over 25 percent of its defense budget is spent in the United States. Our security assistance equates to 3.6 percent of the ROK defense budget. Over $200 million of ROK annual procurement from the United States is for spares and logistical support for its existing inventory of almost exclusively U.S. equipment. The remainder is for new equipment purchases.

North Korea spends more than 20 percent of the GNP of its garrison state economy on the military and its offensively configured forces enjoy a substantial quantitative advantage over the South. The ROK must modernize its defenses with some urgency if it is to keep this gap from widening and build the foundation for eventually closing it. The second ROK Force Improvement Plan (FIP II) is designed to accomplish critically needed modernization by 1986. The Country Team, U.S. commanders in Korea, and our Pacific commanders support the plan and the need to accomplish it on time. FIP II involves new equipment purchases from the United States of $3.2 billion and requires *increased* credit if it is to be completed on time. The FMS credit levels requested for FY 83 and FY 84 are only marginally adequate; reduced amounts under the continuing resolution are clearly inadequate.

Until the ROK officially evaluates any unanticipated credit reduction and revises FIP II accordingly, we will not be in a position to identify which specific procurements will have to be cancelled or deferred if we do not get our FY 1983 supplemental and FY 1984 requests. Possibilities include planned procurements of Copperhead, Stinger, tanks, Howitzers, I-Hawk, Tow, and attack helicopters. Although the ROK probably could continue its highest priority purchases on time, it would have to stretch out others like artillery components and helicopters, despite its critical needs for more firepower and tactical mobility to offset North Korea's advantages.

Malaysia spends almost 10 percent of GNP on defense. Our small aid program equates to only 0.5 percent of that effort. The modest levels requested for Malaysia would only partially support substantial tactical aircraft and armored car purchases Malaysia is currently negotiating with U.S. companies. Reduction of FMS credits below the levels of previous years at a time when Malaysian projected purchases are increasing may not cause these particular sales to be cancelled, but it will reduce the attractiveness of future purchases from the United States in comparison with European sources. European countries, which supply much of Malaysia's equipment, typically manage to guarantee financing for at least part of each sale. Our failure to provide similar consideration would be seen as lack of USG interest in Malaysia's modest modernization efforts.

In the Philippines our security assistance equates to 7.3 percent of the total defense budget, which approximates 2 percent of GNP. This proportion is the largest among the East Asian recipients. The FY 1984 levels are the last increment of a $500 million package which President Carter pledged his best efforts to provide at the time of the 1979 amendment to the Military Bases Agreement. Failure to provide these levels would jeopardize the fifth-year review of the agreement which is being conducted during 1983.

The increased threat caused by the Vietnamese occupation of Kampuchea prompted Thailand to more than double its annual FMS purchases from the United States to accomplish much needed modernization. During FY 79–82, Thailand spent over $900 million on new military purchases from the United States, only 20 percent of which ($182 million) was underwritten by FMS credits.

Thailand spends 4% of its GNP on defense—almost 20 percent of its budget. U.S. security assistance amounts to approximately 5 percent of what the Thai spend on defense. Thailand spends 8 percent of GNP on development. This proportion is appropriate for a developing country which still faces an insurgency. However, it limits the extent to which Thailand can finance without credit the hardware it needs for modernization. The

Thai estimate that they need to spend approximately $350 million per year for capital purchases to replace attrition and carry out their most important modest modernization programs. The Thai budget can only support capital expenditures of approximately $200 million, leaving a $150 million annual shortfall.

Credits underwrite only part of the total Thai procurement from the United States. Therefore, we cannot be sure which specific programs would be cancelled or delayed if requested FMS credit and MAP levels are not restored for FY 83 and maintained for FY 84. However, it is apparent that since we have already restrained our requests to a minimum level short of the $150 million needed by Thailand, further reductions are not possible without serious delays in some or all of the important modernization programs. Procurements which may have to be delayed or cancelled might include attack aircraft, tactical mobility and logistics aircraft, antitank and antiair munitions, tanks and Howitzers, and naval patrol craft.

Mr. Chairman, security assistance is an indispensable component of our efforts to strengthen free world defenses against the growing threats to world peace and security. In East Asia, it is a particularly vital part of our bilateral security relationships with the countries of the region. We believe that the levels requested are the minimum support we can prudently provide to the defense improvements and modernization of recipient countries' armed forces in view of U.S. commitments in the region and the nature of the threats posed by Vietnam, North Korea, and the Soviet Union to regional stability and peace.

Document 444

Prepared Statement by the Assistant Secretary of State for East Asian and Pacific Affairs (Wolfowitz) Before a Subcommittee of the House Foreign Affairs Committee, February 23, 1983 (Extracts) [6]

U.S. Interests and Objectives in East Asia

Mr. Chairman and members of the committee, I am delighted to have this opportunity to present both our FY 84 foreign assistance request and the need for a supplemental appropriation for FY 1983. I will explain how both relate to U.S. interests in the Pacific and how the funding levels requested for both years relate to our foreign policy objectives in the Pacific. . . .

U.S. Interests And Objectives In East Asia

Program resources for East Asian and Pacific countries are allocated to support the following regional foreign policy objectives:

—Protection of our treaty relationships with such recipient countries as Korea, the Philippines, and Thailand. Assistance to these countries also bolsters our relationships with other treaty allies such as Japan, Australia, and New Zealand which do not receive credit or grant assistance but nevertheless view U.S. assistance to other key Pacific nations as an indicator of our resolve to remain a Pacific power.

—Strengthen the security of two frontline states, Korea and Thailand, to help deter North Korean or Vietnamese aggression.

—Maintain unhampered use of military facilities in the Philippines.

—Maintain and enhance defense relations with East Asian countries with strategic proximity to key sea lanes of communication in the region and those that link East Asia to the Indian Ocean and the Middle East. These include Indonesia,

[6] Source: *Foreign Assistance Legislation for Fiscal Year 1984–85*, Part 5, pp. 21–27, 30–33, 53. For full text, see *ibid.*, pp. 21–53.

Malaysia, the Philippines, Singapore, and Thailand.

—Assure continued access to significant commercial markets and basic raw materials. This includes all of the ASEAN countries, Japan, and Korea. East Asia's rapidly growing economies and their ties to the United States are of increasing importance.

—Strengthen ASEAN and U.S. ties to ASEAN. ASEAN has emerged as a major force for stability in Southeast Asia and is of central importance to U.S. interests in the region.

—Maintain and strengthen our ties in the South Pacific, thus blocking Soviet attempts to gain influence.

—Manage refugee flows through continued assistance to and cooperation with Thailand and other countries of first asylum.

—Impede the flow of narcotics, through support for suppression efforts by Burma and Thailand.

—While we continue our military assistance to help friendly states deter aggression, we continue our efforts to promote peaceful solutions to regional rivalries, since armed conflict may spawn a wider war. Thus, we support recent efforts by the Republic of Korea to stimulate a constructive dialogue with the North. Given North Korea's stubborn insistence on a change of government in the South and U.S. withdrawal as prerequisites to progress, only a strong, confident South can sustain peaceful overtures to the North. Similarly, we support ASEAN efforts to seek a peaceful resolution of the Kampuchean problem, but only a strong, confident Thailand can continue to play its current constructive role as the ASEAN frontline state around which the other ASEAN states and most of the international community have rallied.

Economic assistance and working with host governments to reduce the abject poverty and social strains that spawn domestic violence are still other means by which we seek to realize our foreign policy objectives in the region.

Both military and economic assistance are useful components of our efforts to improve human rights practices in the region. Governments which are reasonably free from either the threat of military aggression by superior forces or the kind of domestic upheaval that invites external intervention, are better able to implement human rights policies. Moreover, the closer relationship with the United States fostered by our assistance programs, make it more likely that our concern with human rights will be given some consideration. Hopefully, more governments are beginning to recognize, as we most certainly do, that abuses of human rights undermine the legitimacy of a government, and may become a destabilizing factor, and thereby, vitiate other components of our strategy.

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SUPPLEMENTAL APPROPRIATION—FY 1983

As you know, we are requesting a supplemental appropriation for FY 1983 to restore the requested levels of FMS guaranteed credits and FMS MAP. The current FMS levels under the CR [7] pose serious problems for us in terms of our key Pacific relationships, the gravest being with Korea and Thailand.

Notwithstanding East Asia's vast geography, rich resources and significant contribution to many of our highest foreign policy objectives, our requested level of FMS guaranteed credits for FY 1983 amounted to only $388.5 million or some 9 percent of the global request level. This request level would be an increase of 14.1 percent over the FY 82 level of $340.7 million in nominal dollars and, of course much less an increase in real terms. The $271 million in FMS which can be feasibly allocated to East Asia under the CR is a 20.5 percent reduction below the FY 82 funded level and is 30.2 percent below the FY 83 request level. I might also mention that a by-product of the lower worldwide level has been to reduce East Asia's percentage of FMS guarantees from 9 percent of the larger worldwide request level of $4323.30 million to 7.4 percent of the smaller CR level of $3638 million. Both congressional earmarks and the requirement to fund new high priority programs outside of East Asia have contributed to this effect.

[7] Reference is to House Joint Resolution 631, Ninety-seventh Congress, enacted as P.L. 97-377, December 21, 1982, a continuing resolution making further appropriations for fiscal year 1983; for text, see 96 Stat. 1830.

Regarding FMS MAP, we face a similar situation. The $9 million proposed for East Asia under the CR level, although double the FY 82 funded level of $4.5 million, is a 64 percent reduction from the FY 83 request level of $25 million. Moreover, the FY 82 funded level itself was far below the concessionality requested for the Thai program in that the $4.5 million MAP program was in lieu of an original request for $50 million in direct credits. Our original FY 83 request for a $25 million FMS MAP program is designed to provide a degree of concessionality that would both help compensate for last year's shortfall, and permit reduction of concessional financing beginning with the FY 1984 program. As with FMS guarantees, the reduction in FMS MAP worldwide levels under the CR has had the effect of reducing the percentage of the total available to East Asia. Thus, under the CR, East Asia would receive 3.6 percent of the worldwide allocation for country programs of $250 million vice 5.8 percent of $427 million under the original request level. Let me now turn to some of the country programs, that is those for which we are requesting a supplemental appropriation.

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FY 1984 Foreign Assistance Request

Regional Overview

Fiscal year 1983 was the first year in which this Administration integrated military and economic assistance into a single strategic package. The FY 84 foreign assistance proposal continues to refine this concept in linking all components of U.S. assistance to our strategic interests and foreign policy objectives.

Although my remarks concern primarily security assistance, that is FMS Guaranteed Credits, FMS MAP, ESF, and IMET, I will touch on the total request to include Development Assistance and P.L. 480. [8]

Our total East Asia and Pacific foreign assistance request for the aforementioned kinds of bilateral assistance during FY 84 is $722 million, or an increase of less than 5 percent over the FY 83 request level of $689 million. It exceeds the FY 82 funded level of $606 million by 19.1 percent. Thus, full funding of the requested levels for FY 84 could well be a decrease in real terms from fully funded FY 83 programs. Even for the 2-year period, full funding would, at best, keep pace with inflation.

Our Development Assistance request level of approximately $168.9 million is virtually a straight line from FY 83 and exceeds the FY 82 funded level of about $163 million by only 3.7 percent. Our requested levels for P.L. 480 of $30 million for Title I and $17 million for Title II, respectively, both represent virtually a straight line from the revised FY 83 request.

Some $180 million of our requested economic assistance (DA and P.L. 480), or 83.3 percent would go to Indonesia, the Philippines, and Thailand. Thus, most of our resources would be allocated to a country with which we have a Military Bases Agreement (MBA), [9] the ASEAN frontline state, and to Indonesia which occupies a key strategic position, both geographically and politically, and is the poorest country in ASEAN. The remaining portion to be allocated to Burma, and regional projects are small in dollar amounts but politically and economically significant as we shall discuss later.

Turning to our FY 84 military assistance request levels, you can see that most, in fact about 87 percent of the total FMS guarantees, FMS MAP, ESF, and IMET requested is to protect our treaty relationships with Korea, the Philippines, and Thailand. I should note that the FY 84 military assistance request of $506.09 million is less than a 5 percent increase over the FY 83 requested level of $482.65 million; in other words no increase at all in real terms. The FY 84 request level exceeds the FY 82 funded level of $407.103 million by 24.3 percent in nominal dollars, and thus does little more than keep pace with inflation.

Our request for FMS guaranteed credits for FY 84 totals $436.5 million. It exceeds the FY 83 request level of $388.5 million by 12.3 percent and the FY 82 funded level of $340.7 by some 28.1 percent. Thus, if fully funded for both FY 83 and FY 84, our overall FMS request is an ex-

[8] Reference is to P.L. 480, first enacted as the Agricultural Trade Development and Assistance Act on July 10, 1954. For text, see 68 Stat. 454.

[9] For text of the U.S. Military Bases Agreement with the Philippines, see 2 Bevans 55.

tremely small increase in real terms. In addition to FMS guaranteed credits, we have requested $5 million in FMS MAP for Thailand, a decrease of $20 million from the FY 83 requested level. The reduced request was necessitated by the shortfall of MAP funds available and other global priorities. Nevertheless, a MAP program has significance in Thailand and throughout ASEAN as an indicator of U.S. commitment to the region.

The modest nominal dollar increase sought in East Asia's overall FMS (both guaranteed credits and MAP) level is targeted on two frontline states: Korea and Thailand. The FMS requests for our other three FMS recipients, the Philippines, Indonesia, and Malaysia are all straight-lined from the FY 83 request. We believe that these request levels, devised as they have been with an eye on severe resource constraints, and on the increasing Soviet, North Korean and Vietnamese threats in the region, represent the minimum resources to protect our frontline treaty allies and preserve our base agreements.

Our ESF request level of $55 million represents a $5 million reduction from the FY 83 request level. This would retain the $50 million level for the Philippines as part of the Military Bases Agreement (MBA), but permit reduction of the ESF to Thailand in anticipation of a decreasingly adverse impact on Thai citizens from refugee flows. The lower request level also is predicated on full funding of Thailand's FY 83 ESF request level of $10 million.

Our IMET request for FY 84 of $9.59 million represents a 4.8 percent increase over the FY 83 request level of $9.15 million, and a 38.7 percent increase over the FY 82 funded level of $6.91. IMET is perhaps our most cost-effective form of military assistance. For FY 84, we are requesting slight increases for seven of our current IMET recipients, straight-lining two of them from FY 83, and proposing one new $30,000 program for Tonga, a country whose government has frequently supported U.S. objectives in regional organizations, and has rejected Soviet approaches in the form of aid offers and the establishment of a diplomatic mission. Let me now address some of the specific country programs proposed for FY 84.

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CONCLUSION

In conclusion, I would stress the importance of our programs in maintaining our basic relationships with friends and allies in the area. Our military assistance programs reflect the high priority we place on our treaty relationships. Our economic programs support our political interests, as well as allow us to play an appropriate, constructive role in the social, economic development of East Asia. [10]

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Document 445

Address by the Secretary of State (Shultz) Before the World Affairs Council of San Francisco, San Francisco, March 5, 1983 [11]

The United States and East Asia: A Partnership for the Future

Phil Habib's magnificent work in the Middle East has made him almost a legend—and in his own time no less. We salute him for his tireless efforts and for what those efforts have achieved. But remember: in the course of his outstanding career, he has been involved in every part of the world. In East Asia and the Pacific, he served with distinction as Ambassador and Assistant Secretary. The Ambassador's residence in Seoul is known admiringly as "the house Habib built." Phil will agree and note ruefully that he never lived

[10] Because of the turbulent situation in El Salvador, President Reagan, on March 11, 1983, decided to grant more aid to this country. The additional grant required a revision to the FY 1983 supplemental request for other regions, including East Asia. The revised FY 1983 supplemental request was submitted to Congress on March 11, 1983, and may be found in the Addendum to the Statement of Paul D. Wolfowitz, *Foreign Assistance Legislation for FY 1984–85*, Part 5, p. 53.

[11] Source: Department of State Press Release 68, March 7, 1983; printed also in Department of State *Bulletin*, April 1983, pp. 31–34. The address was given at a dinner in honor of Philip C. Habib.

in it. I have just returned from a trip to Phil's old stomping ground convinced more than ever that if you want to understand the future, you must—like Phil—understand the Pacific region.

My recent trip to Northeast Asia, [12] and 2 days of meetings with our Chiefs of Missions from all of the Asian Pacific area, underlined for me the importance of this vibrant area for the United States and for the world. The dynamism that I saw convinces me that, as important as the region is today, it will only be more important tomorrow. The people are smart, they learn, they work, they have resources. They have an important future and we should be part of it.

Nothing underscores the direct interest of the United States in this region more than two simple facts:

—We trade more today with the nations of the Asian Pacific than with any other region on Earth.

—We have fought three wars in the Pacific in the last 40 years. We do not want to fight another and this is a reason why the United States will continue to maintain a presence there.

My trip left me with many strong impressions. Some features of the region, such as its economic and political progress, offer great hope. Others, such as the poverty and injustice that can still be found and the menacing military postures of Vietnam, North Korea, and the Soviet Union, present all too familiar challenges. But all observers would agree that the region is less troubled than it was in the early 1970's.

The great majority of nations in the region have used the last decade well. They have developed a new self-confidence, and they have much to be self-confident about. It is a confidence born of economic success and of an emerging political maturity. Responsible leadership has come to the fore in Asia and the Pacific. The result is that our relations with most nations of the region are strong and getting stronger. If there is a symbol of the dramatic change that has marked the region in recent years, and of the benefits that such developments can bring to us all, it is perhaps China's emerging role as a constructive force. But this is only one of many important factors in the region's success and in the progress that has been made since earlier years of the post World War II period.

The new success and maturity in Asia today provides a pattern for the future, but, as well, valuable lessons for the present. Tonight, I would like to discuss four of these lessons.

First, there is a need for a global, not merely a regional view,

Second, despite great diversity, a growing community of interests is apparent in the Pacific region;

Third, the extension of economic and political freedom is of essential importance to the region's future; and

Fourth, the United States has both vital interests and a unique and critical role to play in the area.

First and foremost, the trip reinforced what we all know: the fate of regions and nations around the world are intertwined. No one area of the world can pull up the drawbridge and ignore problems elsewhere.

Thirty years ago, in his famous farewell address to Congress, General MacArthur said: "The issues are global and so interlocked that to consider the problems of one sector oblivious to those of another is but to court disaster for the whole. While Asia is commonly referred to as the gateway to Europe, it is no less true that Europe is the gateway to Asia. And the broad influence of the one cannot fail to have its impact upon the other."

MacArthur's statement is today more true than ever.

—Decisions about nuclear missile deployments in Europe could have a major impact upon Asian security, a fact dramatized by proposals by the Soviet Union which would have the effect of shifting the Soviet intermediate range missile threat from Europe to Asia.

—Decisions on trade and free markets in Asian lands influence the actions of legislators in Washington, and governments worldwide. The world is watching Japan in

[12] Reference is to the trip made by Secretary Shultz to East Asia from January 29 to February 10, 1983. He visited Japan, China, Korea, and Hong Kong to meet with the leaders of these countries and to conduct a dialog on a wide range of bilateral and international issues.

particular to see if its markets will be more open to competition from abroad.

—The continued growth of Asian economies is an essential element of U.S. and European recovery, while improvement in those economies will send waves coursing across the Pacific;

—The sea lanes and resources of the region are not only of strategic importance to the countries in the region, they are crucial to the defense of the Indian Ocean, East Africa and the Middle East;

As East Asian and Pacific nations prosper, we hope to see them adopt an increasingly global view. Indeed, we already see encouraging steps in this direction;

—East Asian and Pacific nations, and most importantly Japan, have acknowledged their responsibilities for strengthening GATT and maintaining an open international trading system, as they see with growing clarity the threat of protectionism around the world;

—Even smaller Asian countries, such as Korea, see that they must consider modification of their own protectionist policies (local content legislation, for example) to help ensure their own continued access to larger markets;

—On the security front, Australia, New Zealand, and Fiji have contributed peacekeeping forces for the Sinai;

—ASEAN governments are playing an effective and constructive role in the nonaligned movement, the Islamic Conference, and other international fora;

—Japan has provided economic assistance to states in the Middle East and Caribbean; and

—China, while not yet a wealthy nation, has proven itself among the most sophisticated, with a decidedly global approach to economic and security issues and a clear view of the importance of resisting Soviet aggression.

As the Pacific region gains strength and confidence, it will be increasingly aware of, and increasingly influential in, the global agenda.

The second lesson about the Pacific region is that our policy must reflect the growing community of interests among nations there in preserving peace and promoting economic progress. There are no broad regional institutions like NATO and the EC to provide a framework for regional cooperation. The great differences and historical animosities that separate different countries probably preclude the establishment of such institutions for the immediate future. But, despite enormous diversity, the nations of the region are increasingly cooperating with one another. This new and encouraging pattern is driven by two factors:

—The immense stake that they have in continued economic growth and an open world economy; and

—A clear-eyed perception of the military threat posed by the forces of the Soviet Union, Vietnam, and North Korea.

Economically, the area leads the world in economic growth. During the 1960's, Japan's annual rate of growth averaged above 10 percent. Later, during the 1970's, Hong Kong, Taiwan, Singapore, and Korea all achieved average growth rates above 8 percent, while the Philippines, Thailand, Indonesia, and Malaysia posted average growth rates of from 6 to 8 percent—all above the average even for developing countries.

These economic achievements have given the nations of the Asian Pacific a new weight in the world. For example, the region now accounts for one-sixth of total world trade. These achievements are not accidental. They are the fruit of a commitment to hard work, a willingness to sacrifice immediate benefits for future growth, and generally sound policies of economic management. But Pacific region nations recognize that continued success is dependent on a healthy world economy.

Nations of the region are similarly aware of the keen threat to the region's security posed by the Soviet Union and its clients. A decade and a half ago, Soviet warships seldom ventured south into the Pacific. Now, the Soviets have their largest fleet in that ocean, backed by modern, long-range bombers. Soviet land forces in the region have also grown during that time, from 20 to more than 50 divisions. Most ominously of all, some 100 intermediate range SS-20 missiles, each equipped with three warheads, threaten Asia.

With massive Soviet assistance, 180,000 Vietnamese troops occupy Kampuchea, use toxin and chemical weapons on innocent civilians, and threaten the peace and

stability of Southeast Asia. The North Koreans, who spend 20 percent of their GNP on their armed forces, threaten their southern neighbors with an armed force of over 700,000, one of the largest armies in the world. When you visit the DMZ in Korea, as I did recently, the tension is palpable. You know what it means to confront real danger, as American soldiers and their South Korean allies do every day.

Nonetheless, common economic and security concerns are breaking down communication barriers, reducing historical animosities, and spurring the nations of the region to take responsible steps in their own interests. Let me give just a few examples.

The Japanese Government has acknowledged its responsibility for maintaining an open world economy and is opening its own markets for freer trade. The new Prime Minister's attitude toward this effort is refreshingly operational, recognizing that procedures for, say, licensing, inspection, and registration are as important as policy pronouncements. In addition, Japan has affirmed its commitment to undertake broader responsibilities for its own defense, appropriate to its abilities and its constitutional requirements.

Prime Minister Nakasone's recent visit to Seoul, and Japan's sizeable foreign assistance to Korea, have put the important Japanese-Korean relationship on a new and stronger footing.

The ASEAN states have put behind them many of their differences. They are working effectively together to resist Vietnamese aggression and to mobilize international support for a peaceful outcome in Kampuchea.

Thailand, Malaysia, Indonesia, the Philippines, Australia, Hong Kong, Japan, and China have all played major roles in handling the massive exodus of Indochinese refugees.

The new Pacific Island states are building both regional and national institutions simultaneously, with the help of their neighbors in Australia and New Zealand.

The Republic of Korea has initiated a productive dialog with states in the region.

And China has begun to seek closer cooperation with a number of its neighbors and to play a constructive regional role, especially in its efforts to combat Vietnam's aggression in Kampuchea and elsewhere.

Clearly, there is more that can be done, and more that we would like to see done. We will continue to urge Japan to assume a greater share of the burden of its own defense and to open its own market to the free competition that Japanese products enjoy in the United States. But both we and Japan must also look beyond these bilateral concerns to our shared responsibilities. As President Reagan recently said, "... no two nations are more mutually dependent than the United States and Japan. ... Our partnership is so essential. We have a strong obligation to our own peoples, to each other, to insure its continued vitality." [13]

As Japan's weight has grown, so too have its responsibilities. Decisions on trade issues, bank credit to developing countries in Asia and Latin America, and official economic assistance must reflect Japan's global interests. If we are patient, as well as persistent, we can do more than just maintain the remarkable post World War II record of Japanese-American cooperation. We can build on it and make it an increasingly important part of our future.

China's new, more constructive, though guarded, role is welcome, and a closer relationship with China will benefit the people of both our countries. However, frustrations and problems in our relationship are inevitable. They will arise not only out of differences concerning Taiwan, but out of the differences between our systems. We believe that these problems can be managed and that the community of interests that promises further progress is real. Our relationship with China has brought tangible results and can be a potent force for stability in the future of the region. As President Reagan has said, "Our relationship with the People's Republic of China is important not only for stability and peace in Asia but around the globe. ... Despite our differences, it is clear that both sides

[13] Reference is to the remarks made by President Reagan following a breakfast meeting with Prime Minister Nakasone of Japan at the White House, January 19, 1983. For text, see *Weekly Compilation of Presidential Documents*, January 24, 1983, pp. 67–68. All ellipses are in the source text.

value this relationship and are committed to improve it." [14]

Progress in U.S.–China relations need not come at the expense of relations with our other friends in the region, including our close unofficial relationship with the people of Taiwan. To the contrary, it can contribute to the peace and economic progress of the entire region. The key to managing our differences over Taiwan lies in observing the commitments made in our three joint communiqués and allowing the parties themselves to resolve their differences peacefully with the passage of time. To improve our relations we must both work to reduce impediments to expanding trade in technology, as well as other economic relations, consistent with our long-term security needs. We must also seek to resolve any misunderstanding or dispute through consultations and negotiations rather than by unilateral action.

In so doing we work to build a long-term, enduring, and constructive relationship on a basis of mutual confidence. As I made clear in Beijing, Chinese leaders will find the United States ready to join with them on that basis in pursuing our common interests in peace and modernization. We value Sino-American relations and want them to advance.

The third lesson is the importance of economic and political freedom for the region's progress and security. Our bilateral relations are on their most solid footing with those countries that share our commitment to democratic values. We believe that democratic nations are more likely to follow the just and sensible policies that will best serve the future of the region, and the globe.

The Pacific region's economic growth has shown the efficiency of a free-market system. The progress of the ASEAN states, South Korea, Hong Kong and Taiwan has become a model of successful development for the Third World.

Political progress is more difficult to gauge than economic change. And usually it seems to move at a slower and less even pace than we would all desire. But a long-range perspective of free market nations in East Asia and the Pacific clearly reveals, I believe, a trend towards the growth of democratic institutional arrangements for economic and political conduct.

Japan is the most obvious example, but younger nations are moving in a similar direction. Indonesia last year added to an increasingly long record of regularly held elections. And Malaysia has accomplished that most difficult task: peaceful changes of leadership through an electoral process. The new Pacific nations have laid strong foundations for popular participation in government. The Republic of Korea, despite continuing intense pressure from the north that creates severe internal pressures as well, has taken additional welcome steps recently toward liberalization and toward an eventual constitutional transition of power in 1987.

The extension of democratic processes and institutions and the respect of human rights in general are integral elements to the achievement of lasting progress and legitimacy. Abuses of human rights undermine the progress, legitimacy, and even the stability of governments, thereby vitiating other gains.

In the end, economic and political freedom, both important in their own right, are closely intertwined with security concerns. For economic and political progress provides the resources for defense, and, at once, reduces the risks of internal chaos and the opportunities for external aggression. As President Reagan has said, "Economic freedom is the world's mightiest engine for abundance and social justice."

The fourth and final lesson is that our role in the region is unique. We are the one nation of the region with both a worldwide view and the capacity to implement a worldwide policy. As a great power, we have great responsibilities. We have borne them well and we must continue to do so.

It is necessary and proper that we encourage those countries that share the benefits of a peaceful and prosperous world order to assume greater responsibilities for maintaining it. We will not ask how we can perform that task by ourselves or how we can get others to do it for us, but how we can combine our strength with those who share our commitment to peace and economic progress. Fortunately, in the Pacific region there are many who share those interests, and their strength is growing.

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[14] Reference is to remarks made by President Reagan before the 23d Annual Washington Conference of the American Legion, February 22, 1983; see document 1.

Our goal in asking others to increase their efforts is to gain added strength together, not to decrease our own efforts. The United States will remain a Pacific power. Although specific tasks may change, our overall responsibilities will not be diminished in importance nor shifted to others. This is particularly true of our security relationships with our friends and allies in the area:

—Our treaty commitments—particularly to the frontline states of Korea and Thailand—are essential to give our partners the self-confidence necessary to face potential threats.

—These commitments and our alliances with Japan, with Australia and New Zealand, with the Philippines and others, provide a security framework and coordinating element in a region where broader alliance arrangements are not feasible.

—And because our influence is so broadly felt throughout the region, the way we handle each of our bilateral relationships affects the interests of many others. As we seek, for example, to build a stronger relationship with China and to manage the differences between us, we must remember that the interests of many other friends in the region may be affected as well.

—In Asia, as in the rest of the world, there remain threats that only the United States can meet. If we do not play our role, the shadow cast by Soviet military power will threaten the region's hopes for progress.

In playing that security role in the world, we intend to be attentive to Asian interests. That specifically includes our approach to the Geneva negotiations with the Soviet Union on intermediate-range nuclear missiles. As President Reagan recently said, "Soviet proposals which have the effect merely of shifting the threat from Europe to Asia cannot be considered reasonable. Security in this sense is—and will remain—indivisible."

In the years since the Vietnam War ended, we have made great progress in overcoming the inevitable doubts that arose in the region about the will and capability of the United States to fulfill its important role in Asia. President Reagan's strong efforts to continue that progress have increased the credibility of our role in Asia, and, in the process, increased the self-confidence of our friends in the area as well.

If it is true that much of the future will be shaped in Asia, then our policies toward this region are of special importance. The record of the nations of the Asian Pacific in recent years is encouraging too. Not that the region is free of problems. Far from it. But most of the nations of the region—despite enormous differences of every kind—share a realistic and confident approach toward solving problems. And a dynamic community of economic, political and security interests has begun to take shape:

—Most nations of the area have faced—and many still face—immense problems of poverty and dislocation. But these problems are being addressed with imagination, with self-reliance and with remarkable success.

—The countries of the region face great threats from the Soviet Union, Vietnam, and North Korea. But they are meeting these threats with realism and with a determination not to be intimidated.

—Great national and cultural differences, deepened by historical antagonisms, place obstacles in the way of cooperation among nations of the region. But increasingly these nations are recognizing the overriding importance of working together in the interest of peace and economic progress.

We Americans recognize—and welcome—this progress. Our Asian Pacific partners are developing rewarding relationships not only with us but with each other. They also are joining with us in cooperative efforts that extend beyond the Pacific region and increasingly bring their positive influence into the world at large. These steps are the basis for a global role that will fit the region's growing strength and responsibilities. We Americans are determined to join in these steps to further our community of interests. The results will have much to say about the future—for us and for others throughout the world.

Document 446

Prepared Statement by the Deputy Assistant Secretary of State for East Asian and Pacific Affairs (Brown) Before Two Subcommittees of the House Foreign Affairs Committee, October 19, 1983 (Extracts) [15]

The Soviet Role in Asia

Mr. Chairmen, the administration welcomes this opportunity to testify today before the House Subcommittees on Europe and the Middle East and on Asian and Pacific Affairs concerning the Soviet role in Asia. Only a handful of issues have as high a priority in our foreign policy, or indeed in that of the Soviets, as events in this broad arc of nations stretching from the Pacific Ocean to the Persian Gulf. The region is of rapidly increasing importance to both East and West in terms of security, trade and political development.

Soviet policy toward this vast area—comprehends a diverse mixture of ethnic, religious, cultural, and political patterns—and is itself diverse. And although it would be difficult to identify a unified Soviet perspective or strategy for the entire region, we can speak of a distinct Soviet style in handling problems which arise here, and indeed everywhere, when the USSR perceives its interests are engaged.

A few weeks ago this style was revealed with a clarity rarely seen in international affairs. Once in a very great while an event will occur which cuts through all ambiguities and provides the world with an unvarnished view of a state's motivations and essential character. The tragedy of Korean Airlines Flight 7 [16] was such an event. This incident is striking because it symbolizes, at one stroke, so much that is wrong about the character of Soviet policy toward its Asian neighbors—the heavy emphasis on military intimidation, the easy resort to force, the absence of any sense of trust, the inability to communicate, and the paranoia that exists just below the surface of an unconvincing rhetoric of peace and good will.

It also highlights a continuing Soviet frustration: Moscow's inability to convert its impressive and growing military presence in Asia, the Pacific and Indian Oceans into a coherent role in a regional community through which the Soviets could project their political and economic influence. (Only in India can Soviet nonmilitary diplomacy be said to be really effective.) In a sense, Soviet reliance on military power and use of force is undermining these broader goals and making it more, rather than less, difficult for the USSR to achieve the status and influence in Asia which it so clearly desires.

This failure is serious because it is clear that the Soviets assign Asia a priority in their foreign policy second only to Europe and are devoting increasing resources of every kind to consolidate the USSR's position as an Asian power.

Soviet diplomatic weakness in Asia has been accompanied, however, by an unprecedented military buildup aimed at the United States and its friends and allies. The USSR can now rapidly deploy large naval and air forces throughout the Pacific and Indian Oceans, which for the first time pose a significant direct conventional threat to U.S. forces, facilities and lines of communication and supply. So while we should not assess the USSR's position in Asia without noting the very real problems Moscow faces, we cannot afford to be complacent, especially given the impressive power it can deploy in the region.

Asia is important to the Soviets for several reasons. Three-quarters of the USSR is in Asia, and one-third of the Asian landmass is Soviet territory. Some 50 million people, or about 20 percent of the Soviet population, are Asian. And a major thrust of Russian history for the last several centuries has been an expansion of the Russian, and then the Soviet, empire to the East. Today, much of the hope for improving the Soviet economy depends upon tapping the rich mineral and energy resources of the Soviet Far East. In addition, ideology and nationalism impel a Soviet assertiveness in Asia as elsewhere, as well as a more general striving, as one high Soviet official has put it, to see that

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[15] Source: *The Soviet Role in Asia: Hearings Before the Subcommittees on Europe and the Middle East and on Asian and Pacific Affairs of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session*, pp. 514–524, 532–538. For full text, see *ibid.*, pp. 514–538. Omitted here are Brown's statements on the security needs of specific countries.

[16] Reference is to the Korean Air Lines plane shot down en route from New York to Seoul by a Soviet jet fighter plane on September 1, 1983.

no problem, anywhere, can be solved without Soviet participation.

Moreover, the Soviets realize that their presence in Asia is inseparable from their global strategic position. They remain aware of the possibility that, in a general conflict, the Soviet Union might have to fight a two-front war. Thus, the Soviets seek a military presence in Asia to intimidate all possible opponents. Besides matching or surpassing U.S. military capabilities in the area, Moscow strives to deter China from becoming a major military power, especially one closely linked to the industrial democracies. It seeks as well to discourage Japanese self-defense efforts and to weaken Tokyo's alliance with the United States and growing ties with China. Its greatest concern is that these three nations might be developing a pattern of cooperation on security issues which will isolate the USSR in a permanently disadvantageous military position in Northeast Asia.

In other parts of Asia—where their security concerns are not quite as acute as they are in Northeast Asia—the Soviets nevertheless have attempted to create conditions unfavorable to the development of political and economic arrangements which they cannot dominate or control. Given its tendency to apply manipulative solutions to such problems, Moscow has generally followed an opportunistic strategy of maintaining and exploiting local tensions, projecting influence through supplies of arms and military advisers and expanding its own direct military presence.

The Soviets have played upon Sino-Vietnamese differences, for example, to install themselves in Indochina. ASEAN efforts to achieve a political settlement in Kampuchea have been met with intimidation. They have exploited Indo-Pakistani tensions and the war between Iran and Iraq as well to expand their influence in New Delhi and Baghdad through arms supply relationships. And Moscow has acted with direct armed force in neighboring Afghanistan in an effort to achieve the dominance and control it desires.

But despite the heavy commitment of military resources to the region, the Soviets must be disappointed with the overall results. For this reliance on armed force has only thrown Soviet weaknesses into vivid relief. The truth is that a growing stress on Soviet military capabilities has been matched by the atrophy of political and economic instruments of foreign policy. Soviet trading relationships with Asian countries have declined in the last two decades: Moscow's share of total Japanese trade now is proportionally less now than it was in 1960 and Sino-Soviet trade is drastically reduced from the 1960 level, despite a recent upturn.

Politically, the Soviet Union has never achieved the influence it held in Asia during the 1950's, when both China and North Korea were pro-Soviet and pliant, and anti-Western feeling in the aftermath of colonialism was running at high-tide. Since then China has been transformed into an adversary cultivating ties with the West; Japan has become a major bulwark of the Western economic system and has deepened its political and security relationships with the United States; and interest in the Soviet model has practically disappeared from the region. Even North Korea has closer ties with Beijing than with Moscow and has openly criticized both the Vietnamese invasion of Kampuchea and the Soviets' own adventure in Afghanistan. Although Pyongyang belatedly gave grudging support to Moscow's position on the KAL incident, and Moscow has continued to signal its desire to improve relations with North Korea (even, initially, in the wake of the Rangoon bombing), the basic wariness in the relationship seems to have little abated.

All Soviet diplomatic initiatives—confidence-building measures, collective security schemes—are routinely met with suspicion, while Soviet diplomats themselves are expelled for espionage with embarrassing frequency from nations within the region.

In all the newly independent Pacific island states, governments have refused to receive Soviet diplomatic missions.

Worst of all, Soviet efforts have totally failed in their primary objective of weakening U.S. security ties and political and economic links with Asian countries.

In all of Asia—if one excepts Moscow's Mongolian ally which is completely subordinate—only Vietnam has institutionalized its relationship with the USSR through such actions as membership in CEMA and providing the Soviets with major military bases. There is strong evidence that the Soviet success here has been achieved only because of Hanoi's profound security and economic needs. Should Hanoi even-

tually turn from a predominantly militaristic foreign policy, it is doubtful it would continue to choose such exclusive dependence on the USSR.

Soviet political weakness in Asia and the Pacific also results from the strength of the region's non-Communist nations and the limited number of tensions which Moscow finds to exploit there. While most Soviet Asian associates—North Korea, Vietnam, the puppet regimes in Kampuchea and Afghanistan—are isolated, locked in tense confrontations with their neighbors, and suffering from economic stagnation, the pro-Western nations of Asia have developed broad and effective diplomatic and trading relations throughout the world and enjoy, collectively, the world's most impressive record of economic growth.

Politically, Asia now has largely passed through its era of decolonization and revolution and has entered into a period when most of the nations of the region are able to maintain the sort of political stability and economic development which make them immune to the pressures the Soviets traditionally bring to bear. The impressive unity and economic achievements of the ASEAN nations are especially notable in this regard.

Moreover, Soviet use of force in other areas has given Moscow a triple liability in pursuing its adventurist policies in Asia. Heavy Soviet commitment of military assets to Afghanistan and Eastern Europe limits Moscow's ability to expend resources elsewhere. In addition, Moscow's continued inability to work its will in places like Poland or Afghanistan brings into question all of its claims about the historical inevitability of Marxism and its ability to maintain control over present clients, much less manage new ones. Finally, Soviet militarism brings into being the very thing which it is intended to prevent: a widely shared determination to resist Soviet advances and a tendency for otherwise very disparate nations to cooperate in achieving this objective.

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Mr. Chairmen, I believe that this summary of Soviet policy in Asia and the Pacific demonstrates that, despite the dramatic increase of Soviet military capabilities throughout the area and undoubted capacity to exploit opportunities, Moscow's political influence with individual governments is very shallow, uneven and imbalanced in the extreme. The situation varies from country to country, of course, and potentially short-term success stories such as the Soviet relationship with Vietnam are notable exceptions to the general rule. Nevertheless, there are serious weaknesses, as I have attempted to show, in the Soviet's ability to build and sustain long-term relationships in the region or to participate effectively in Asian political or economic arrangements. This is especially true in East Asia, where a community of interests—as yet mostly economic but fraught with lasting political significance—is quickly emerging. The Soviets and clients such as Vietnam are being left out of these developing relationships, while the United States and its closest allies in the area—Japan, Australia, and New Zealand—are very much a part of these trends.

The long-term injury to Soviet interests of this voluntary exclusion from the peaceful political and economic life of Asia should not be underestimated. It may not be impossible to imagine Moscow gaining some important tactical advantages, especially in use of Vietnamese facilities and exploitation of developments in the Iran–Iraq conflict, through further application of its familiar militaristic approach. But it is hard to see how the Soviets can achieve a meaningful permanent role in the rich economic and political life of most of this region without a fuller and richer diplomacy of their own. The longer the Soviets wait, the more difficult it will become for them to develop constructive and broad relationships with vital nations such as Japan, South Korea, Australia, New Zealand or the members of the ASEAN grouping. Yet without such connections, Soviet influence in Asia is almost wholly dependent on military power, and this sort of influence—although significant—is very limited indeed.

It is limited first because military relationships last only as long as the tensions and conflicts which bring them into being, and Asia is one region where the trends are toward peace and stability and away from revolution and war.

Moreover, it is limited because this administration is determined that the Soviets shall not acquire the dominant military position in Asia that they seek. We challenge the Soviet right to military domina-

tion because we wish to live in peace. But we are confident that we and our allies throughout the region have the unity and resources to protect our interests and match Soviet military capabilities at any level Moscow may choose. The United States also realizes that, although every nation must provide for its own defense, we have a special responsibility as the only country which can counter the provocative Soviet nuclear deployments aimed at our Asian allies and friends—and, more importantly, the only nation which can negotiate with the Soviets for meaningful reductions.

We recognize as well our responsibility to maintain sufficient military power in the region to constrain Soviet adventurism and underline our commitment to remain an Asian power. In a decade the strategic balance in military power has shifted from one of clear American superiority to one in which the balance has been described by senior military officers as too close to call. In this context, Asian and Pacific nations are closely watching U.S. intentions and performance in Asia to determine the extent of our long-term commitment to a major regional security role. Their risk/benefit analysis will be based on their perception of U.S. will and capacity to balance Soviet military power in their region at whatever levels Moscow chooses to maintain. Their perception of our willingness to do this is likely to be realistic and based on demonstrated U.S. efforts to enhance its strategic and conventional forces, as well as our security and economic assistance programs designed to assist them in attaining greater self-sufficiency.

This is even more so in the face of continued demonstrations of force by the USSR throughout the area—in the continued assault on the people of Afghanistan, in the use of chemical weapons there and in Indochina, and in the wanton violation of international standards of morality in the civilian air corridors which criss-cross the region. We are aware that if we permit the military balance in Asia and the Pacific to tip too far against the West, the USSR will be able to convert armed force into political influence and dominance.

We do not intend to let this happen. Our firmness on this point is crucial because the very contrast between the successful Soviet military buildup and Moscow's political and economic failures may result in a greatly increased danger of military confrontation in the region if the USSR concludes that force is successful, and opts for even greater reliance on military intimidation as its principal geopolitical instrument. With this in mind, many of our Asian friends have indicated privately that the future peace of Asia rests on our commitment to balance the Soviet threat. We must maintain our determination and ability to do so if we are to continue to enjoy a situation in Asia favorable to U.S. interests.

But we also are mindful of where our *real* strengths in Asia reside. As important as our own military posture is, our strength is not in arms alone but in our cultural and political ties with Asia, the interdependence of the great Asia–Pacific trading community of which we are a part, and the bonds which a talented Asian-American citizenry have forged between the New World and some of the oldest and most sophisticated civilizations on Earth.

Our own foreign policy in Asia is designed to develop these strengths into broad multifaceted relationships which will transcend considerations of tactical convenience and create a lasting community of common interests between the United States and the nations of Asia.

To give but one example, our still developing relationship with China is an event of momentous importance to both countries and to the stability of East Asia. We are, of course, aware of certain perspectives we share with the Chinese concerning Soviet activities in the region. We also recognize that a certain degree of cooperation in security matters could be natural and mutually beneficial as the relationship with China evolves. But the United States will neither press this possibility nor make it the centerpiece of our bilateral contacts with Beijing simply because we wish that relationship to rest on a far broader, firmer foundation than a common reaction to Soviet policy. Instead we will work for a balanced development of economic, political and people-to-people contacts with China and encourage China's greater participation in the regional and international arrangements which we support. We are convinced that only such a far-sighted approach will sustain U.S.-Chinese ties over the long term. And such an approach should also provide an even better basis for security coopera-

tion if that should seem desirable to both sides in the future.

This prescription is good medicine for our more traditional relationships in Asia and the Pacific as well. In fact, we have long since achieved such sophisticated and sensitive relations with many of our allies—Japan, the Republic of Korea, Australia, and New Zealand. With others—ASEAN, Pakistan and our friends in the Pacific, South Asia and the Gulf—we are well on the way to achieving these patterns of broadly based trust and common interest. Moreover, this constructive engagement is open to all others in the area who prefer peaceful political and economic interaction to the use of force against their neighbors.

If the Soviets persist in their present course in Asia, it is these ties which will ultimately sustain us and our friends, and preserve our common welfare in the face of the challenge. If, on the other hand, the Soviets should ever decide to participate more fully in the peaceful political and economic life of Asia—of which they undeniably have a right to become a part—we will be equal to any degree of competition or cooperation they should care to undertake.

Thank you very much.

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2. The ANZUS Pact

Document 447

Transcript of a Press Conference by the Secretary of State (Shultz), the Australian Foreign Minister (Hayden), and the New Zealand Foreign Minister (Cooper), July 19, 1983 (Extracts) [1]

32d ANZUS Council Meeting

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SECRETARY SHULTZ. I would like to express my gratitude to our friends from Australia and New Zealand who have come here and labored with us for 2 days. We covered a wide range of subjects, as the communiqué shows, [2] and from our standpoint we consider it to have been a very worthwhile discussion.

I would like to take the opportunity, as well, to thank Mr. Hayden who, when he visited Hanoi recently, took the occasion to raise with them the questions of our POW's and MIA's there. You have undertaken it when the Vietnamese visit you in Australia, you will continue to follow up on that subject and we appreciate that very much.

MR. HUGHES. If neither of the other two Ministers have any remarks, then we'll take some questions.

Q. To Mr. Hayden. Mr. Minister, when you came in on an on-the-record conference you said that there were two different interpretations of ANZUS in Australia, one that committed us to global responsibilities, the other one that committed the United States to the regional defense of Australia.

I understood one of your intentions here was to clarify this issue. I assume that items 3, 4, and 5 of the communiqué addressed that. They don't seem to say anything, and I wonder, has the issue clarified in your mind as to the nature of the treaty? [3] As a result of this meeting, has anything at all altered as to our understanding of the treaty, or the American understanding of it?

FOREIGN MINISTER HAYDEN. I don't think you should discriminate against this particular communiqué. It's been drafted according to the great traditions of these sorts of communiqués. But if I could go beyond that and say, for my part a number of matters have been clarified. For instance, it was implicitly stated at one point in the discussions, in the course of this morning's session by Admiral

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[1] Source: Department of State Press Release 291, July 19, 1983; printed also in Department of State *Bulletin*, September 1983, pp. 71–74. Brief introductory and concluding remarks by Department of State Spokesman John Hughes and questions and answers on non-ANZUS subjects are omitted. The ANZUS meeting was held in Washington on July 18 and 19, 1983.

[2] *Infra.*

[3] The ANZUS Treaty was signed at San Francisco on September 1, 1951, and entered into force on April 29, 1952; for text, see 3 UST 3420.

Crowe,[4] that each nation should contribute according to its abilities and in its area of greatest concern.

For me, that means very simply that we have explicitly declared that for Australia our role should be seen as one of regional concern. This is fairly consistent with the view I've expressed over a very long time, both when I was spokesman on defense matters for the Labor Party in the National Parliament and subsequently when I was leader of the opposition for the Labor Party.

And so the difficulties that we've had with the contradictory purposes being presented to our defense planning, that sometimes it was presumed we had a global role to fulfill somehow as an appendix associated with a superpower, and at other times we had a regional role, has been clarified, and I accept that clarification. For my part it will allow much more explicit and precise formulation of our defense thinking. It's the sort of defense structures that we establish for our defense forces.

Q. I would also like to address Mr. Hayden. Does this mean, Mr. Hayden, that you don't think that ANZUS involves us in any global responsibility?

MR. HAYDEN. ANZUS doesn't by the terms in which it's drafted. ANZUS refers to attacks on the metropolitan territory, the signatory members to territories they may administer, and refers to the area of the Pacific. It doesn't refer to international obligations. Yesterday, Mr. Shultz made this clear when he said that there would be circumstances where, if ANZUS doesn't commit Australia to U.S. diplomacy, for instance in the Middle East or Central America, we may or may not agree. If we do agree, it would be on the basis of other principles, although the spirit of ANZUS guides many things which we do even though ANZUS doesn't cover it.

So there is a multinational observer force in the Sinai which was committed by the previous government not under obligations arising from ANZUS but because of certain common views, I believe, they shared with the American administration. That's one illustration of the way in which decisions can be made which have an implication well beyond the obligations which are covered by ANZUS.

Q. I would like to follow that and ask all three Ministers what are the geographic limits to the ANZUS obligations and alliance possibilities. For example, would it include the Persian Gulf?

FOREIGN MINISTER COOPER. We have reviewed ANZUS. It's been going for 32 years successfully. The document comes out in my opinion strengthened. We have not given precision to the geographic areas. There is no manner in which we have looked at the latitude or the longitude. We have looked at the Pacific.

Obviously, the strongest points are in the Pacific. There is still the importance of the Indian Ocean. There's a relevance, of course, to the Americans and Australians in the Indian Ocean. There is relevance to New Zealand. There is less relevance to New Zealand in regard to, say, Central America. But if there was an attack on New Zealand, on Australia, and really if we're looking at where the attack might come from, we would probably say sometime in the future from the Soviet Union, we would believe that ANZUS covered the Pacific area. But we are very, very interested in the work that's done by the United States and other countries in bringing about peace in other areas.

We have been through the global responsibilities of the Western alliance countries in trying to create a bit of peace. But there is no doubt that ANZUS represents the Pacific, but no definition is given to the geographic area. That's probably one of the main reasons that it's survived intact so strongly as a treaty between the two antipodean countries and the United States.

Q. I would like my question to Mr. Cooper. Sir, it would seem from the wording of this communiqué that there is a more realistic understanding of the expression and intent of Article 4 which carries the American commitment as opposed to the comfortable myths of the past.

Would New Zealand, sir, have any reservations on this, perhaps, new understanding?

FOREIGN MINISTER COOPER. We don't really see a new understanding. As I have said, we believe that ANZUS has come through a review, which has been over-

[4] Admiral William J. Crowe, Jr., U.S. Commander in Chief, Pacific.

due, intact and, frankly, we look very close to end those. There's a lot of discussion about that particular article and it still commands each of the countries to looking at the problems that may be if there is some invasion or some military offensive against each other.

There is the clear responsibility to be involved in a treaty where freedoms are at stake. There will be different readings of that particular clause and it will be probably from the news media. The three countries, however, feel that ANZUS has served us and will continue to serve us very well.

Q. Sir, could I ask Mr. Hayden's response to that same question as perhaps a more realistic assessment to the wording and the intent of Article 4?

FOREIGN MINISTER HAYDEN. I think you ought to look at Articles 3, 4, and 5, but the obligations under ANZUS are fairly clear: In the event of threat or attack a response is required, and that response has to be provided according to constitutional processes of the respective partners. However, it would not be accurate to presume that the response guaranteed the automatic provision of military forces support. It may, but it would depend on the circumstances of the attack, and how each party weighed that up and concluded what was its proper response according to its constitutional processes.

It may be in certain circumstances that diplomatic responses or political/economic sanctions, or perhaps the supply of equipment, are judged to be the appropriate response. It is also presumed, underpinning the Treaty, is the expectation that each country will have provided a prudent level of self-defense capability commensurate with the resources which it has available. I think that eminently reasonable. In fact, when I read the principles which were enunciated in 1969 by former President Nixon of this country, at Guam, and last year a statement—I think at Maryland by Judge William Clark—which seems to be a restatement of those principles, I think they are eminently sensible and that they are in accord with the general principles which are explicit and implicit under the ANZUS arrangements. In short, I think all countries which are signatories to this Treaty have an obligation in the first place to make sure that they've taken prudent measures to develop their own force structures, and that those prudent measures are commensurate with what they could reasonably have provided in relation to the resources which they have available.

. . . . . .

MR. HUGHES. More ANZUS-related questions?

Yes, . . .

Q. Thank you. For Foreign Minister Cooper. Mr. Foreign Minister, did you get any indication that the United States will help New Zealand and Australia purchase military equipment to make those countries more effective ANZUS partners? And did you get any indication that President Reagan might visit New Zealand and Australia in November?

FOREIGN MINISTER COOPER. On the first question with regard to the purchase of military equipment, we were talking about ANZUS in regard to the general principles and any other discussions which take place in regard to the bilateral relationship. It's not easy for a country such as New Zealand, of a small size and an agricultural-producing country, to find the capital to buy expensive military equipment, and I'm sure that the United States Secretary of State is aware of that, as is the Defense Secretary.

On the second one, of course, we would like to see President Reagan visit New Zealand. I'm sure the Australians would, too. He is busy, and I know that he is taking a five-nation tour of the Southeast Asian area. Whether he can extend that or not, I don't know, but he is very welcome to visit our country at any time he can fit it into his very busy work in the United States and externally.

Q. Does Secretary Shultz have anything to add on those points?

SECRETARY SHULTZ. No.

Q. Secretary Shultz, if I could take you back and follow up on Mr. Anderson's question a few minutes ago, could you, sir, comment on the United States view of the limits of the regional aspects of the ANZUS alliance?

SECRETARY SHULTZ. I think the hard kernel, in a sense, of the ANZUS Alliance is the undertaking to respond in the event of an attack on any of the countries in-

volved. So that's the sort of direct central point. In our discussion we referred to that. Then there was also the phrase, "the spirit of ANZUS," and I take it to mean that these are three countries that, broadly speaking, have the same values and want to defend them, see that they prosper around the world, and so we are interested in what goes on anywhere, as the discussion that we had here shows.

As events unfold, it may turn out that two or three of us are involved in some part of the world, but the direct obligations of ANZUS are very particular, and the effect of ANZUS is to draw us together, to have us not only in a yearly consultative mode such as we've had here for the last couple of days, but that we see each other at other international meetings. There is a great deal of consultation back and forth through our ambassadors, and so it is a vehicle for sharing ideas and seeing how we can best defend the values that we all have in common.

Q. My question is to Mr. Shultz. Was the question of U.S. facilities, communications facilities, in Australia raised at any point in the meeting over the last few days? And what is your view of the proposition from Australia that the United States should make a specific statement of the functions of the three communication stations?

SECRETARY SHULTZ. The subject was discussed, but not extensively. The Australian delegation will be here further, and we considered that that was an appropriate subject for bilateral discussions, in particular, although in the agreements the ANZUS relationship is referred to as a sort of umbrella, so there will be further discussions.

Q. I'm sorry, a supplementary question, if I may? Do you have any objection to Australians, coming to a sign of appreciation of those facilities, as most Americans have access to understand?

SECRETARY SHULTZ. I don't follow your question.

Q. It seems to be quite common knowledge in the United States of the role and function of those bases in general terms, and the specifics of that have not been spelled out for Australian consumption.

SECRETARY SHULTZ. Not everything that's written about is correct. Not everything that's written about and that is correct is necessarily commented on officially here. I will simply say that there will be some bilateral discussions of these matters, and we'll see what happens in that event.

Q. I'd like to direct my question to both Mr. Shultz and Mr. Hayden, if I could.

There will be those in Australia who'd be astounded to find that the discussion about the security of our region didn't include specific discussion of the U.S. bases in Australia, which many Australians regard as the greatest of threats to our security.

Could you comment on that suggestion?

SECRETARY SHULTZ. I think the record should show that these matters were discussed, but that they also are reserved for more intensive discussion on a bilateral basis, so it isn't as though they're being ignored as your question implies.

FOREIGN MINISTER HAYDEN. I don't think many thoughtful Australians would be shocked, but there was some discussion on the matter, as Mr. Shultz pointed out, and as he also pointed out the discussion hasn't concluded. That will be followed up in bilateral discussions with appropriate people over the next couple of days.

I've already made the point here—but I've made it many times publicly over the past few years—that there are clear risks in having those facilities in Australia, but they're risks which we're prepared to accept as a government so that we can contribute toward a role of deterrence and arms verification, and so that we have some moral standing in the position we intend to take more actively in the United Nations and other international fora in support of arms control, arms reduction, and in that respect we've already appointed an Ambassador for Disarmament so we can take this more active role.

But if I can conclude quickly—anticipating the question that might come from some sources, having had it put to us before—there's no contradiction in those two purposes. We're not proposing unilateral disarmament of any particular country, and certainly not of the United States. That would be a nonsense proposition.

We should be prepared to defend our interests. There's nothing consistent [?], at the same time, to wish for and work for

a more homogenous world, and that's what we'll be aiming at.

Q. Mr. Hayden, I think it was yesterday you said that your purpose here—what I'm aiming at is to establish what our responsibilities are, what our safeguards are, under ANZUS. Can you point to me in section 2, 3, 4, or 5 anything which in any way enlarges anyone's knowledge on what those safeguards and responsibilities are?

FOREIGN MINISTER HAYDEN. I think I've done that fairly effectively in answer to either the first, second or third question, which had been mentioned, when I spoke about the obligation for responses to be forthcoming in the event of threat or armed attack, but that didn't necessarily involve an automatic provision of military forces in support of a country subjected to threat or attack. But there were a range of responses available and which response was appropriate would be judged by the other signatory countries.

Secondly, in relation to the geographic region, it's a matter which we explored and certainly we agree it's not a limitless commitment for the signatory parties. On the other hand, there are benefits in not being specific, and that's something we acknowledged before we arrived here. If we are specific, then it encourages people to perhaps be adventurous in areas outside of the specific definition of responsibility that we put down in a geographic basis.

The other matter is, of course, that I've clarified with absolute conviction for myself—I believe my colleague, Defense Minister Scholes—that the role we can most certainly pursue is that of a regional role, that we get rid of the confusion and contradictions which were constantly arising for Australia, where, on the one hand, there would be an effort to fulfill a global role which always seemed to me to be a rather extravagant purpose, given the small size of Australia—population-wise—and the small aggregate resources we have compared to, say, large or superpowers. We have a high per capita income, but we're talking aggregate sense, what we can afford.

Secondly, to clear up the tendency in the past of some conservative sources in Australia to encourage Australians to believe that ANZUS covered every conceivable association with the United States and every conceivable action that we might take. What's been made clear is that ANZUS has clear limitations and that there may be things we do outside of those limitations or obligations. We may well do them because of the spirit that encouraged the formulation of ANZUS and its sustenance, but we don't do it because of ANZUS; we do it more because of deeper-seated commitments that led to the formulation of ANZUS.

Q. Mr. Shultz, this review of ANZUS which you have had this week happened at the suggestion of the Hawke Labor government.

Can you tell me when this was first raised? When the Hawke government asked for a review, whether there was any initial apprehension on the part of the Reagan administration about what that review might actually mean?

And can you also tell me whether you feel there's any advantage from America's point of view in the sorts of discussions you've had about the regional, global, (inaudible) or the geographical limits? Is there any advantage for Washington in the types of talks you've had?

SECRETARY SHULTZ. I can't recall precisely when it was raised, probably through staff and ambassadorial levels. I think Mr. Hayden and I talked about it a little bit when we met in Paris in May, and we discussed it with Prime Minister Hawke when he was here, so I can't pin down precisely when this idea emerged.

But I think it's an excellent idea, and it was most worthwhile to go through the discussion that we did and to arrive at where we are. I think it's been a good exercise.

Q. Could I ask Mr. Shultz one last question, please?

MR. HUGHES. If it's ANZUS related. (Laughter)

Q. Do you agree, Mr. Shultz, that Australia has the right to be consulted on the use of Australian facilities at Northwest Cape in any act which will—in any firing order, for example, or in anything which could involve Australia in hostile acts?

SECRETARY SHULTZ. All the things connected with that facility—and I listened to your question and it was very all encom-

passing—will be discussed bilaterally, and we will rest on that point.

. . . . . .

Document 448

Communiqué Issued Following the 32d Meeting of the ANZUS Council, July 19, 1983 [5]

ANZUS Council Joint Communiqué

1. The 32nd meeting of the ANZUS Council was held in Washington, D.C. on July 18 and 19, 1983. Warren Cooper, Minister of Foreign Affairs, New Zealand; Bill Hayden, Minister for Foreign Affairs and Gordon Scholes, Minister for Defense, Australia; and George Shultz, Secretary of State and Caspar Weinberger, Secretary of Defense, United States represented their respective governments. Also participating were senior foreign affairs and defense officials of the three governments.

2. After the Secretary of State welcomed the ANZUS Delegations, the Council Members reviewed the ANZUS Alliance. It was the first such review since the ANZUS Treaty was signed in 1951. They noted that, although international political and strategic circumstances which prevailed at that time had changed, it is a sign of the resilience of the Treaty that it remains relevant and vitally important to the shared security concerns and strategic interests of the three partner governments.

3. The Council Members affirmed that the Alliance is firmly based on the partners' common traditions and concern to protect democratic values. They value highly the cooperative defense arrangements, facilitated by the Treaty since its conclusion, which have served their governments' mutual security interests and promoted a strengthening of each other's defense capability. In the spirit of the ANZUS Alliance, they noted that, beyond the activities of defense cooperation, the various efforts, individual and collective, by the partners to promote both regional and global development and stability have also served the cause of mutual security.

4. The Council acknowledged that the ANZUS Treaty does not absolve each Government from the primary responsibility to provide for its own security to the extent which its resources allow. It is for this reason that Article II of the Treaty provides that the parties will "by means of continuous and effective self-help and mutual aid maintain and develop their individual and collective capacity to resist armed attack." The Council Members also noted that the ability of each country to defend itself is substantially enhanced by their common commitments under the Treaty. A range of responses is available to the parties to act to meet a common danger in accordance with their constitutional processes.

5. The Council also reaffirmed that the ANZUS Treaty is an agreement between sovereign and equal states committed to the democratic tradition. In accordance with that tradition, the respective states would at times have varying views and perspectives on various international political and economic issues. Such diversity does not affect their solidarity under the ANZUS Treaty, the maintenance of which reflects the fundamental interests of the three partners.

6. In order to strengthen the Alliance further and recognizing that national security cannot be assured by military strength alone, the Council Members considered a number of practical cooperative measures:

They agreed that ANZUS consultative processes could be strengthened through further periodic ANZUS Officials Talks. These talks, which were revived this year, would rotate between the three capitals and address issues or areas of common concern. Participants would include mid-level and senior officials expert on the issues or areas to be addressed.

They also agreed that the framework of ANZUS and bilateral defense cooperation requires a standardization of privileges and immunities and of jurisdictional and other matters for military service personnel and their families serving in each other's countries. The Members therefore agreed to give priority to early conclusion

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[5] Source: Press Release 291; also printed in Department of State *Bulletin*, September 1983, pp. 74–76. The ANZUS Council met in Washington, July 18–19, 1983.

of a reciprocal ANZUS Status of Forces Agreement.

They expressed satisfaction with the continuing programs of exchanges, combined exercises and visits among the Treaty partners. They also reaffirmed the importance of these programs, of ongoing efforts to modernize and to assure supply of equipment, and of continuing to strengthen alliance defensive capabilities and thus deterrence of conflict.

7. Following the review of the ANZUS Alliance, the Council Members discussed a broad range of global issues and concerns which included the importance of the Western alliance, United States-Soviet relations, and East-West issues generally. The Council Members agreed that there are continuing threats to international peace, both globally and in a number of regions. These include the continuing Soviet occupation of Afghanistan, the Vietnamese occupation of Kampuchea, and the continuing growth in Soviet military power. The Council Members declared their commitment to negotiated solutions to major East-West problems and to other problems threatening international security.

8. The Council Members reaffirmed their commitment to the negotiation of effective, equitable, and verifiable arms control measures, including reductions of nuclear armaments. They agreed that President Reagan's proposals in the START and INF Negotiations offer a realistic opportunity for the two sides to achieve meaningful nuclear arms reductions, and expressed the hope that the Soviet Union would approach these negotiations with an equal commitment to world peace.

9. The Council Members reaffirmed their strong commitment to preventing the proliferation of nuclear weapons and agreed to intensify their efforts to strengthen the international non-proliferation regime through multilateral and bilateral measures. They recognized that the international non-proliferation regime is strengthened when the nuclear weapons states are able to demonstrate progress in fulfilling their solemn treaty promise to pursue negotiations on effective and verifiable measures to reduce nuclear armaments and to end the nuclear arms race. In this context they reaffirmed their governments' policies of working towards the goal of a comprehensive and fully verifiable nuclear test ban treaty, and they took note of the continued examination of verification and compliance issues related to a nuclear test ban in the Committee on Disarmament. They also undertook to work in a constructive and cooperative manner to ensure the success of the Third Review Conference of the Treaty on the Non-Proliferation of Nuclear Weapons in 1985.

10. The Council Members noted that the international non-proliferation regime could be enhanced by measures designed to encourage the acceptance of comprehensive and full scope safeguards combined with binding undertakings by non-nuclear weapons states not to acquire a nuclear explosive capability. In addition they reaffirmed their commitment to seek improved national and international controls over the transfer of sensitive nuclear technology.

11. The Council Members condemned any actions in violation of the 1925 Geneva Protocol and the 1972 Biological and Toxin Weapons Convention and reaffirmed their support for the efforts being made in the Committee on Disarmament to conclude a comprehensive and effectively verifiable ban on the production, development and stockpiling of chemical weapons.

12. The Council Members stressed their continued firm support for the Association of Southeast Asian Nations (ASEAN) and the continuing development of regional cooperation within that organization. They emphasized their support for the role that ASEAN plays in promoting peace, stability and economic progress in the region. They remain committed to continued economic and technical assistance to ASEAN countries and close consultation with the members of ASEAN on regional developments.

13. The Council Members reaffirmed their conviction that the conflict in Kampuchea should be settled by peaceful means. They support diplomatic efforts which would lead to a comprehensive political solution to the Kampuchean problem. The Council welcomed the efforts of Australian Foreign Minister Hayden to establish common ground in the search for a negotiated settlement.

14. In that context, the Council Members also expressed their strong support for the approach to a Kampuchean settlement set forth in the communique issued at the end of the recent ASEAN Ministeri-

al meeting in Bangkok. They reaffirmed the need for the prompt withdrawal of Vietnamese troops under conditions that would allow for a peaceful transition and a comprehensive settlement that would enable the Khmer people freely to decide their own future, in accordance with the relevant UN resolutions. They considered that a negotiated settlement should be based on respect for the independence, sovereignty and territorial integrity of Kampuchea, and the legitimate security interests of all parties to the conflict. The Council Members further agreed to continue essential humanitarian assistance to the Khmer people, recognizing that humanitarian needs would persist during the search for a solution.

15. The Council Members reviewed the tragic plight of Indochinese refugees and the impact that the refugee influx is having on the countries in the region. They acknowledged the important contribution made by ASEAN members in refugee assistance and processing, and urged continued worldwide participation in refugee resettlement and support for UNHCR programs in the area.

16. Reviewing developments in the South Pacific, the Council Members noted the strength of regional integrity and stability despite resource limitations and an adverse international economic climate. Recognizing the link between regional security and economic development, they pledged their commitment to continue and to expand practical co-operation with countries of the region.

17. The Council Members emphasized the importance of the ANZUS partners' programs of continued development assistance and of co-operation among the partners to ensure the effective practical implementation of their assistance programs. The continuing tripartite arrangements made by the United States, Australia and New Zealand for geoscientific research in the South Pacific under the Consultative Committee for Offshore Prospecting in the South Pacific represent a tangible demonstration of their cooperation in the development of the region.

18. The Council Members noted the very deep concern over nuclear issues in the South Pacific and Australia's proposal to discuss the concept of a South Pacific Nuclear Free Zone at the meeting of the South Pacific Forum in Canberra in August. In this connection they stressed the importance of upholding the principles of freedom of navigation and overflight as provided in international law. They also noted the importance to the Alliance and the region of security considerations, including access by allied aircraft and ships to airfields and ports in accordance with the sovereign right of states to receive such visits.

19. The Council Members noted that the security of the Pacific island states is closely related to that of the ANZUS partners. In this context defense cooperation programs of the ANZUS partners are continuing to make a substantial practical contribution to regional security.

20. Noting regional developments, the Council Members welcomed the constructive approach of France and South Pacific Forum countries to developing a dialogue on the future of New Caledonia. They also noted the major progress that had been made in the past year towards termination of the Micronesian Trusteeship. In particular, they welcomed the conclusion of plebiscites in Palau and in the Federated States of Micronesia (which had chosen free association with the United States), and noted that a similar plebiscite would be held in the Marshall Islands in September 1983. Related to these developments, they also welcomed the increasing participation of the Micronesian Governments in the affairs of the region and looked forward to the not distant future when the Micronesian states will play an even more active role in the region's organizations.

21. The Council Members noted the U.S. Senate's approval of the Pacific Islands Treaties by which the U.S. relinquished its claims to Tokelau and to various islands belonging to Kiribati, Tuvalu and the Cook Islands. Completion of that process provides a firm base for strengthened relations between the United States and those island states and territories and was welcomed by the Australian and New Zealand members.

22. The Council Members welcomed the continuing development of bilateral relations between China and individual ANZUS partners and noted the recent successful visits of the Chinese Premier to Australia and New Zealand. Pointing out the importance of China to the strategic balance, and to political stability within the Asia and Pacific region, they emphasized the need for continuing close rela-

tions between China and the ANZUS partners.

23. The Council Members noted Japan's efforts to increase its self-defense capability and the importance of defense co-operation arrangements between Japan and the United States. They welcomed Japan's willingness to play an increasingly active and constructive role in the political and economic affairs of the region and other areas of common strategic concern.

24. The Council Members reaffirmed their commitment to the sovereignty and independence of the Republic of Korea. They again called upon the Democratic People's Republic of Korea to take serious steps to reduce the level of tension in the area by entering into discussions with the Government of the Republic of Korea. They also expressed their support for proposals put forward by the Republic of Korea to establish such a dialogue.

25. Reviewing developments in Lebanon and the Middle East peace process, the Council Members declared their support for the Government of Lebanon and its effort to recover its full sovereignty, full control over its territory, and withdrawal of all external forces. The Agreement concluded between Lebanon and Israel is an important step toward this end. The Council Members expressed the hope that this step would soon be followed by a negotiation between Lebanon and Syria to advance the process of withdrawal of all external forces and to ensure Lebanon's independence and sovereignty. They called on all states in the Middle East to participate in a determined effort towards a just and lasting peace that ensures the sovereignty, territorial integrity, and security of each nation in the region. The Australian and New Zealand Council Members expressed their warm support for Secretary Shultz's efforts to bring about negotiations aimed at achieving a peaceful settlement of the situation in Lebanon and of the wider Middle East dispute. The Council Members also expressed the hope for a rapid resolution of the Iran–Iraq conflict.

26. The Council Members discussed the Indian Ocean area and agreed that vital Western economic and security interests are engaged there. They agreed that the proposal for an Indian Ocean Zone of Peace should stress fundamental norms of international behavior and should focus on basic causes of tension in the region. They further agreed that it should in no way restrict the right of individual and collective self-defense or existing navigation rights, including effective exercise of high seas freedoms of navigation and overflight, and straits transit passage in international straits. The proposal should be developed by agreement between the regional states and the major maritime users of the Indian Ocean, and should have as an important objective to bring about a lasting improvement in the security of the regional states, so facilitating political, social and economic development in the area.

27. The Council Members reaffirmed their concern over the continued occupation of Afghanistan by the Soviet Union. This flagrant violation of fundamental principles governing international relations and human rights continues to result in death and repression of the people of Afghanistan and the creation of the largest single refugee problem in the world. They unequivocally asserted that a peaceful settlement and political solution to the situation in Afghanistan remains contingent upon the total withdrawal of Soviet forces as envisaged in various UN General Assembly resolutions. They noted the efforts by the United Nations Secretary-General's Personal Representative on Afghanistan to secure a peaceful settlement through indirect negotiations.

28. The Council Members stressed the importance of the maintenance of peace and stability in South Asia. They strongly emphasized the need to sustain efforts to prevent nuclear proliferation on the subcontinent, and to enhance the security of friendly states in the region in light of the threat to the area stemming from the Soviet invasion of Afghanistan.

29. The Australian and New Zealand Council Members urged wide adherence to the United Nations Convention on the Law of the Sea as the most satisfactory means of achieving a secure framework for all aspects of the uses of the seas and, in particular, of protecting Western security interests of free movement of naval and merchant vessels. They emphasized the significance of the Convention for the straits and archipelagic states to their north and for the island countries of the Pacific region.

30. Noting the increasing international interest in Antarctica, the Council Members reaffirmed their conviction that the Antarctic Treaty, which gives effect to the

principles and purposes of the United Nations and is open to all countries, continues to provide the best means of preserving peace and international cooperation in Antarctica, a region where all three nations have important and enduring interests. The Council Members agreed to continue their close cooperation concerning Antarctica and the strengthening of the Antarctic Treaty system.

31. The Council Members discussed global economic prospects and the outcome of the Williamsburg Summit. They welcomed the positive signs of economic recovery that had emerged within the past year, but expressed concern about continuing problems, including high levels of unemployment and indebtedness. The Council acknowledged the need for continued efforts to promote sustainable noninflationary economic growth.

32. The Council Members welcomed the firm determination of the major industrial countries at the Williamsburg Summit to halt and reverse the trend toward increased protectionism. The Council recognized the dangers posed to world economic recovery by the recent expansion of barriers to trade, including those for agricultural products, and the need to strengthen and improve the multilateral trading system. They agreed that the Member Countries should use the favorable conditions provided by the recovery to reverse protectionist trends, and to relax and dismantle progressively trade restrictions and trade-distorting domestic measures. The Members also welcomed the progress made at Williamsburg towards more intensified economic and monetary cooperation. In particular, the Council noted the initiative taken at the Williamsburg Summit for Ministers of Finance, in consultation with the Managing Director of the International Monetary Fund, to define the conditions for improving the international monetary system and to consider the part which might, in due course, be played in this process by a high level international monetary conference. The Council welcomed this as a useful approach to the monetary and related issues previously raised by New Zealand Prime Minister Muldoon.

33. The Council Members expressed their deep concern about the prospects for recovery in developing countries, noting that the burden of recession had fallen heavily on those countries. In this regard they stressed the importance of sound economic growth in the developed countries and of open markets. The Council urged all countries to take the actions required to assure an adequate flow of public and private resources to developing countries in order to alleviate international debt problems and sustain growth and trade.

34. The Council Members agreed to meet again in Wellington in 1984 at a time to be decided.

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3. The Southwest Pacific

Document 449

Statement Issued by the Department of State, February 23, 1983 [1]

Palauan Approval of Free Association With the United States

Final unofficial results of the February 10, 1983, plebiscite in Palau represent a strong victory for the Compact of Free Association. In the yes-or-no vote, Palauans awarded the Compact of Free Association a mandate of better than 62 percent. The voter turnout was very heavy, substantiating the high degree of support for the Compact in Palau.

Under the Compact, Palau will achieve its long-sought goal of full autonomy. The United States will assume the obligation and authority to defend the island nation. The Compact and its related agreements were negotiated over a 14-year period. Two other prospective freely associated states—the Marshall Islands and the Federated States of Micronesia—will vote on the Compact in coming months. [2]

The United States recognizes that the plebiscite is a valid and sovereign act of self-determination by the people of Palau. The Compact they approved defines their relationship with the United States, as well

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[1] Source: Department of State Press Release 52 (Revised), February 23, 1983; also printed in Department of State *Bulletin*, April 1983, p. 80.

[2] See documents 451 and 453.

as their international political status after the present trusteeship is terminated. Now that the people and Government of Palau have approved the Compact, it must receive majority approval in both Houses of the U.S. Congress.

The Palauan voters were asked other questions on the plebiscite ballot, including the political status they would prefer if free association were not approved. Slightly more than half of the voters chose to answer this question, which was optional. Here, the vote was about 56 percent in favor of a relationship with the United States closer than free association, and 44 percent in favor of independence.

The ballot included an internal referendum question which asked the voters to approve a Palauan-American agreement relating to hazardous, including nuclear, substances. A majority—53 percent—voted to approve this agreement. However, because of provisions in the Palau constitution, this, or a similar specific question, requires approval by a 75 percent margin before the Compact of Free Association can come into effect. This means that the Palauan authorities must now devise an acceptable method of reconciling their constitutional provisions to comply with the mandate of the Palauan electorate for free association with the United States. The United States has expressed its willingness to consult with Palau on this matter and awaits Palau's initiatives.

The Government of Palau mounted an intensive and thorough public education program in advance of the plebiscite. That program, which started more than five months before the vote, included translation of all the pertinent documents, radio and television programs and debates, town hall meetings and village discussions. An official team from the United Nations Trusteeship Council was in Palau to observe the final days of the education program, the voting and the tabulation of ballots. Their report is expected shortly. [3]

Palau is the westernmost chain of islands in the Trust Territory of the Pacific Islands, which the United States has administered since 1947 under a Trusteeship Agreement with the United Nations. Palau, with a population of 15,000, is located east of the Philippines and south of Guam.

The Northern Mariana Islands, a fourth political jurisdiction in the Trust Territory, voted in 1975 to become a territory of the United States. Under this arrangement, the people of the Northern Mariana Islands, of which Saipan is the largest, will become U.S. citizens when the Trusteeship Agreement ends. All four political jurisdictions of the Trust Territory have locally elected constitutional governments. Palau's first such government was inaugurated on January 1, 1981.

Palau and the other island groups of the Trust Territory were administered by Japan under a League of Nations mandate after World War I. The United States liberated the islands from Japanese occupation during the last years of World War II. Palau was noted as the site of especially ferocious fighting during that campaign. Today, the islands of Palau, marked by their spectacular beauty and their unusually rich and diverse marine ecology, are positioning themselves for future economic development. Fishing, agriculture, and tourism are expected to contribute to this growth. The Compact of Free Association contains incentives for investment, trade, and business development and also guarantees economic development assistance from the United States.

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[3] For text, see *Report of United Nations Visiting Mission to Observe the Plebiscite in Palau, Trust Territory of the Pacific Islands*, February 19, 1983, T-1851, Trusteeship Council Official Records, 50th Session, May-June 1983, Supplement No. 3.

Document 450

Prepared Statement by the Assistant Secretary of State for East Asian and Pacific Affairs (Wolfowitz) Before a Subcommittee of the House Appropriations Committee, April 27, 1983 (Extracts) [4]

Request For Additional Funding For Foreign Policy Objectives in East Asia and the Pacific

Mr. Chairman and members of the committee, I am delighted to have this opportunity to present both our FY 1984 foreign assistance request and the need for a supplemental appropriation for FY 1983. You have received my more detailed written statement, and I do not want to inflict on you a full recitation of the numbers and statistics set out there. However, I would like to give you a brief overview of how both requests relate to our foreign policy objectives in East Asia and the Pacific.

U.S. Interests And Objectives In East Asia

The Secretary's recent Northeast Asian trip, and my own just completed trip through Southeast Asia [5] underscored for me the serious need for additional foreign assistance. As important as Asia and the Pacific are today, they will only be more important tomorrow. There is perhaps no other area of the world about which this can be said with such confidence. There are myriad ways in which to support this view. But to make this point today, in shorthand, let me point to just two facts. First, we trade more today with East Asia and the Pacific than with any other region on Earth, including Western Europe; and East Asia's share of the pie is gaining. It is the fastest developing region in the world. Second, we have fought two wars since World War II, both in Asia. We do not want to fight another.

The resources we seek for East Asian and Pacific countries serve in numerous ways:

—They bolster our treaty relationships with Korea and Thailand, two frontline states, and with the Philippines, with which we have just entered important base negotiations.

—They reinforce our defense relations with countries, such as the ASEAN states, in strategic proximity to sea lanes of communication essential, not only to the region, but to access to the Indian Ocean and the Middle East, as well.

—They help to assure our access to key commercial markets and raw material.

—They strengthen movement towards democracy in those countries, such as the ASEAN states, that have become a voice for peace in the region.

These are some of the major benefits we gain, but I could have easily mentioned half a dozen more, such as managing refugee flows, impeding the flow of narcotics, promoting peaceful resolution of regional conflicts, and reducing the abject poverty and social strains that spawn domestic violence and weigh heavily on all of us.

All of these benefits serve as useful components of our efforts to improve human rights practices in the region. Governments which are secure and prosperous are better able to implement human rights policies. Closer ties with the United States, furthered by our assistance programs, make it more likely that our concern with human rights will be given consideration. Progress on human rights, vitally important on its own, in turn is an integral part of all our other concerns. Human rights abuses undermine the legitimacy, progress and even stability of governments, thereby, vitiating other components of our strategy.

Finally, let me make a point which is central to our strategic concerns in East

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[4] Source: *Foreign Assistance and Related Programs Appropriations for 1984: Hearings Before the Subcommittee on Foreign Operations and Related Agencies of the Committee on Appropriations, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), Part 4, pp. 160–162, 165–167, and 191–194.

[5] Secretary Shultz's Northeast Asian visit was as follows: Tokyo (January 30–February 2), Beijing (February 2–6), Seoul (February 6–8), Hong Kong (February 8–10), and Tokyo (February 10). Wolfowitz's trip throughout Southeast Asia included the following capitals: Tokyo (March 29–31), Hong Kong (April 1), Jakarta (April 1–5), Bangkok (April 5–7), Kuala Lumpur (April 7–10), Manila (April 10–13), and Singapore (April 13–16).

Asia and the Pacific, a point which emerged unmistakingly in my recent visits to Southeast Asian capitals. There is a gap today between our essential commitments to our allies and friends in the region and the resources at hand to do the job. There is a clear danger that our statements on America's responsibilities as a world leader will, in the absence of more resources, be perceived as hollow rhetoric.

With that brief background, let me discuss in very broad terms East Asia and the Pacific's share of the requests before you.

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AN INTEGRATED ASSISTANCE PACKAGE

I know members of this committee are particularly interested in the mix of security and development assistance. We have attempted to structure our overall assistance package in a balanced manner to reflect the security and economic needs of our friends and allies in the region and to take into account the efforts of other aid donors. We believe it important that the U.S. sustain a significant involvement in the economic development programs of those countries needing our help. Security and economic development are closely intertwined. Stable and secure governments are best able to sustain economic growth.

I would note that, because of the success of past development programs, we have bilateral, economic development programs in only four countries, Thailand, the Philippines, Indonesia and Burma as well as a small regional program for the Pacific Island nations. We have military assistance programs in nine countries. The issue of balance does not rise for such countries as the Republic of Korea, Malaysia and Singapore, where the per capita income levels disqualify them for U.S. development assistance. ESF programs in Thailand and the Philippines, while correctly labeled as security assistance, contribute directly to economic development in both countries. In Thailand, ESF is important in rectifying severe dislocations on the Kampuchean border, made all the worse by this month's Vietnamese attacks on refugee camps.

I would also emphasize that through our contributions to the Multilateral Development Banks we are making a significant investment in Asia. We contribute about 20% of the funds flowing through these institutions. In 1981 that amounted to $650 million in U.S. aid to East Asian and Pacific countries, in addition to our $220 million bilateral economic assistance.

A final point, while we are the principal and sometimes the only source of security assistance for our friends and allies in Asia, other nations offer substantial amounts of bilateral development assistance. That amounted to $1.6 billion in 1981.

Considering all these factors, we believe we have struck an appropriate balance between security and economic assistance in East Asia.

CONCLUSION

We believe that these programs, devised as they have been with an eye to severe resource constraints, and the increasing Soviet, North Korean and Vietnamese threat, represent the minimum resources needed to protect our frontline allies and preserve our base agreements. The needed restoration of FMS and MAP funds initially requested for this year, and the small real dollar increase sought for next, will serve as an important investment in the region's future, and in our own.

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Pacific Islands

World War II demonstrated the importance of the Pacific Islands, which lie across the lines of communication between the U.S. West Coast and Australia, New Zealand and Southeast Asia, to our security. The importance of these lines of communication has increased greatly over the past 40 years.

Since the war, island states have undergone great changes, and in the past twenty years have, in the main, transformed themselves from dependent to independent states. Our relations with them are friendly; we share a belief in democratic government and a devotion to individual liberties. It is in the U.S. interest to assist island governments in their efforts to promote economic growth.

For the third straight year, we have requested $5.1 million in Development Assistance to support an innovative, region-

wide program to improve agricultural and fishing techniques, and to promote regional cooperation in this area of small populations and small markets. Our military assistance programs are even more modest in size.

Fiji

The $80,000 IMET program requested for FY 84 would be a $25,000 increase over FY 83's initial funding level. The additional money will assist the Royal Fiji Military Forces in acquiring needed professional and technical skills to better operate a small, but modern defense force, which permits them to continue their participation in Middle East peacekeeping forces.

The Fiji Government is pro-Western and broadly supportive of U.S. policy goals in international fora. Fiji's participation, at our request, in the Sinai MFO was critical to international acceptance of the organization. Fiji has also provided since 1978 one of the best trained battalions to the UN forces in Lebanon. Fiji stations more troops in the Middle East to try to keep peace there than it garrisons at home.

Papua New Guinea

The United States has enjoyed friendly relations with Papua New Guinea before and since its independence from Australia in 1975. The country's size, strategic location and resources make it a major actor in the South Pacific.

Papua New Guinea maintains the largest defense force in the Pacific Island region, and it has recently increased its military's cooperation with the U.S. Army's Western Command (WESTCOM). The proposed FY 84 IMET program of $30,000 is an increase of $10,000 over last year's request level, enough to permit adding one, or perhaps two, additional training programs. Papua New Guinea is expected to use its IMET grant to provide staff or technical training for two or three officers, and equipment repair and maintenance courses for the same number of enlisted men.

Tonga

The U.S. has a long history of missionary and merchant contacts with the Kingdom of Tonga. This small, pro-Western and staunchly anti-Communist nation has publicly welcomed U.S. Navy ships, and has done so when other island governments, concerned over an upsurge in public sensitivity to nuclear energy uses, have been reluctant to do so. Tonga's defense budget is very small, and the nation is still recovering from the effects of a disastrous hurricane which swept through Tonga in early 1982.

This is the first IMET program that we have proposed for Tonga. The requested $30,000 will be used to train Tonga Defense Force officers and men in a mix of professional and technical courses, from mid-level command training to patrol boat maintenance and disaster relief techniques.

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Document 451

Statement Issued by the Department of State, June 28, 1983 [6]

Micronesian Approval of Free Association With the United States

Unofficial results of the June 21, 1983 plebiscite in the Federated States of Micronesia (FSM) represent a significant victory for the Compact of Free Association. In the yes-or-no vote, the citizens of the FSM approved the Compact by more than 75 percent. The Compact was approved by three of the FSM's four states as required under the FSM Constitution.

Under the Compact and its subsidiary agreements, negotiated over a 14-year period, the FSM will be fully responsible for internal and foreign affairs while the United States will provide economic assistance and will assume the obligation and authority to defend the island nation.

The voters of the FSM were asked other questions on the plebiscite ballot, including the political status they would prefer if

[6] Source: Department of State Press Release 237, June 28, 1983; also printed in Department of State *Bulletin*, August 1983, pp. 63–64.

free association were *not* approved. The voters were asked to choose either a relationship with the United States closer than free association, or independence. Early returns indicate a preference for independence over a closer relationship with the United States; however, this will be moot given the overwhelming vote for free association.

The Government of the FSM mounted an intensive and thorough public education program in advance of the plebiscite. That program, which started more than 5 months before the vote, included translation of all the pertinent documents, radio and television programs and debates, town hall meetings, and village discussions. Official observers from the U.N. Trusteeship Council traveled to the FSM to observe the final days of the education program, the voting, and the tabulation of ballots.

The FSM is one of the three states of the Trust Territory of the Pacific Islands to conduct plebiscites on the Compact. Palau approved the Compact by a 62 percent majority in a February 10, 1983, plebiscite, [7] and the United States and the Marshall Islands have recently announced September 7 as the date of the last plebiscite in the Trust Territory. [8]

The Northern Mariana Islands, a fourth political jurisdiction in the Trust Territory, voted in 1975 to become a commonwealth of the United States. Under this arrangement, the people of the Northern Mariana Islands will become U.S. citizens when the Trusteeship ends. All four political jurisdictions of the Trust Territory have locally elected constitutional governments.

The Compact defines the relationship between the United States and the new Micronesian states, as well as their international political status after the trusteeship is terminated. Now that the people of the FSM have approved the Compact, it must be approved according to their constitutional processes and receive majority approval in both Houses of the U.S. Congress.

The United States has administered the Trust Territory of the Pacific Islands (TTPI) since 1947 under a Trusteeship Agreement with the United Nations. The FSM consists of the island states of Yap, Truk, Ponape and Kosrae. The FSM and the other island groups of the Trust Territory were administered by Japan under a League of Nations mandate after World War I. The United States liberated the islands from Japanese occupation during the last years of World War II. Today the island states of the FSM, marked by their spectacular beauty and their unusually rich and diverse marine ecology, are preparing themselves for future economic development. Fishing, agriculture and tourism are expected to contribute to this growth. The Compact of Free Association contains incentives for investment, trade and business development and also guarantees economic development assistance from the United States.

[7] See document 449.
[8] See document 453.

Document 452

Letter From the Acting Permanent Representative at the United Nations (Lichenstein) to the President of the U.N. Security Council (La Barre de Nanteuil), August 30, 1983 [9]

U.S. Response To Soviet Accusations Regarding Micronesia

On 16 August the United Nations Secretary-General distributed, at the request of the Union of Soviet Socialist Republics, a 12 August statement of the Government Information Agency of the Soviet Union (TASS) attacking United States administration of the Trust Territory of the Pacific Islands (S/15927). [10] The Soviet de-

[9] Source: U.N. document S/15940.

[10] The TASS statement alleged that the United States was practicing "an openly expansionist policy" towards Micronesia, in violation of the U.N. Charter, international agreements, international law, and morality. It charged that since the beginning of the trusteeship period the United States had nurtured a colonial status for Micronesia rather than promoting a program of increased self-sufficiency and, ultimately, true self-determination. TASS further alleged that the United States was expanding its military presence in Micronesia and increasing nuclear testing in the West Pacific, thereby exploiting Micronesia for military and strategic purposes and posing a serious threat to the well-being of the Micronesian people.

scription of the United Nations administration of the Trust Territory bears so little relationship to reality, so totally ignores the democratically expressed will of the peoples of Micronesia and is so misleading as to require the following response.

The United States has administered the Trust Territory of the Pacific Islands (TTPI) since 1947 under a Trusteeship Agreement with the Security Council. Final responsibility for TTPI, which is the only strategic trust established under the United Nations Trusteeship System, was assigned under United Nations Charter Article 83 to the Security Council. The Security Council assigned responsibility for assisting it in overseeing United States administration of TTPI to the Trusteeship Council.

The actions and policies of the United States as Administering Authority of the trusteeship have been subjected to close scrutiny by the United Nations Trusteeship Council during the last three decades. The record of the United States administration in Micronesia is contained in the comprehensive annual reports which the Administering Authority has submitted to the Trusteeship Council, in the reports of numerous visiting missions which the Council has sent to the Trust Territory over the years and in the transcript of proceedings before the Council at its annual regular sessions. The Trusteeship Council has provided a forum in which petitioners and Council members—including the Soviet Union—have had every opportunity to question and comment upon the administration of the Trust Territory. It is to this record and the very tangible progress made since 1947 which the Security Council and the international community should address themselves.

Article 76 of the United Nations Charter states that one of the objectives of the trusteeship is:

"To promote the political, economic, social and educational advancement of the inhabitants of the Trust Territories, and their progressive development towards self-government or independence as may be appropriate to the particular circumstances of each Territory and its peoples and the freely expressed wishes of the peoples concerned . . . "

In accordance with the Charter and the 1947 Trusteeship Agreement, the United States has established modern health care, communications, transportation and educational systems in the Trust Territory and has worked in close consultation with the Micronesian people and their leaders to put in place the infrastructure which will enable these islands to achieve their goals of economic development and self-sufficiency. Though Micronesia faces many of the same problems in seeking economic development which other island peoples throughout the world have encountered, the United States believes the Micronesian people are on the threshold of increased economic well-being, and the future political status arrangements which have been negotiated include economic assistance which will enhance these opportunities.

During the trusteeship the United States has worked to improve the quality of life in Micronesia in a manner compatible with the traditions and cultures of the islands and has provided the people with the tools to develop their own resources for their own benefit. During the last decade, priorities for the allocation of resources and implementation of development strategies have increasingly been established by the Micronesians themselves, who today have primary authority and responsibility for the administration of governmental affairs, social services and economic development policies. These activities take place in accordance with constitutions approved by the people in plebiscites observed by the United Nations Trusteeship Council. The United States has relinquished virtually all executive, legislative and judicial functions of government from the Administering Authority to the constitutional Governments of Palau, the Marshall Islands and the Federated States of Micronesia, reserving to itself only such authority as is required to fulfill its responsibilities under the Trusteeship Agreement. These constitutional Governments have authority and responsibility for their internal affairs and, with the support of the United States, are conducting significant foreign affairs activities in preparation for the termination of the trusteeship.

In 1969, the United States began negotiations with the freely elected representatives of the peoples of the Trust Territory regarding the future political status arrangements which would provide a basis for termination of the trusteeship. Those negotiations have produced agreements with the four Governments of the Trust

Territory which have emerged as self-government has been instituted—the Republic of Palau, the Republic of the Marshall Islands, the Federated States of Micronesia and the Northern Mariana Islands. In 1975 the people of the Northern Mariana Islands elected by an overwhelming 78 per cent majority to become a commonwealth of the United States.

After 14 years of careful negotiations, the Governments of three jurisdictions in the last two years have signed the compact of free association, under which the freely associated States will be sovereign and have the capacity to conduct their internal and external affairs, while the United States will have authority and responsibility for security and defence matters. The new nations will also receive significant economic assistance in order to ensure continued economic stability and development under free association. The compact is terminable by either mutual consent or unilateral action of any signatory Government. Earlier this year, the peoples of Palau and the Federated States of Micronesia approved the compact in free and impartial plebiscites internationally observed by missions of the Trusteeship Council (by majority votes of 62 per cent and 79 per cent, respectively). The third plebiscite will be held in the Marshalls on 7 September. [11] The compact will also be submitted for approval, in accordance with the constitutional processes of all four signatory Governments.

The blatantly false and deliberately misleading TASS statement accuses the United States of the illegal "dismemberment and annexation" of the Pacific Islands. Nothing could be further from the truth. The record of the United States administration and its political status negotiations with the popularly elected representatives of the peoples of the Trust Territory demonstrates that the United States was fully prepared to enter into a future political relationship with one Government representing all the peoples of Micronesia, but did not and would not attempt to force upon the Micronesian people an artificial and unwanted territorial configuration as the Soviet Union proposes. Indeed, the crucial element in any legitimate act of self-determination is that it be conducted freely and fairly so that its results reflect the freely expressed wishes of the people concerned: a concept which in itself is apparently alien to Soviet thought and experience. In establishing their constitutions and in voting on their status, the Micronesian people have chosen to become separate political entities within the Trust Territory according to their own cultural, economic and political preferences resulting in the creation of four separate Governments—a decision the United States respects. The form of self-government chosen was solely a decision of the people concerned, not of the United States. Any attempt by the Administering Authority to impose an arbitrary notion as to how the people of Micronesia should organize themselves for the purpose of instituting self-government would constitute callous insensitivity towards the cultural identity, social values and political aspirations of the peoples of the Trust Territory and would have clearly derogated from their right of self-determination.

The irresponsible charge that the United States influenced internal politics in Micronesia to bring about fragmentation—when, in fact, the separate constitutional Governments were established through open debate and the freely expressed choices of the inhabitants of the Trust Territory—is both condescending and an affront to the dignity and right of self-determination of the Micronesian people. The United States followed the only path appropriate for a truly democratic nation serving as Administering Authority.

The United States has always sought to preserve the stability which has been established in Micronesia and the Pacific Basin during its administration of the strategic trusteeship. The mutual agreements providing for continued security of Micronesia under free association were signed by the Governments of Micronesia only after extensive discussion and debate within Micronesia about United States security and defence responsibilities. The political and legal processes required in each Micronesian jurisdiction for final approval of those arrangements are still going forward. That this arrangement is—and in order to endure must continue to be—the product of mutual agreement rather than coercion is clearly evident from the fact that the compact will allow the freely associated States unilaterally to terminate free association in favour of independence, without the loss of either economic assistance or United States security and defence protection, an arrange-

[11] See *infra*.

ment few other nations would so generously offer.

The Soviet Union has made several reckless charges about the United States intentions to impose agreements upon Micronesia under which the United States would be able to "expand its missile test range, in the islands, its naval bases, the airfields for its strategic airforce and other military facilities", thereby "flouting the basic objective of the Trusteeship System". However, under article 5 of the Trusteeship Agreement between the United States and the Security Council, the United States is explicitly authorized to establish military facilities and station armed forces in the Trust Territory. Despite this plenary authority, United States military activity in Micronesia is limited to just one missile systems testing facility at Kwajalein, in the Marshall Islands, which is operated by a civilian contractor force. Far from expanding its military facilities, the United States has neither naval bases nor any airfields for its strategic airforce in Micronesia. United States military operational authority under the compact of free association will be subject to express conditions, negotiated between the United States and the Micronesians.

In addition to substantial grants for social services and economic development, the United States has offered, under the compact, to establish a permanent fund to pay all claims of persons affected by the nuclear-testing programme at Enewetak and Bikini. Upon approval by the peoples concerned, this arrangement will resolve in a comprehensive and compassionate way a legacy of the post-war era.

The process of negotiation and approval of the compact of free association in free and democratically held plebiscites and in accordance with constitutional procedures in Micronesia and the United States has been and will continue to be open for the world community to observe. Once political status matters are determined in Palau, the Marshall Islands and the Federated States of Micronesia, as has already been accomplished in the Northern Mariana Islands, the United States will be prepared to seek termination of the trusteeship. At that time, it will be the voices of the Micronesian peoples themselves which will be heard above the groundless allegations and misinformation of those who would substitute their will for the will of those island peoples. The Micronesians have learned the lessons of democracy too well to have their future dictated to them by any other nation, and that fact, along with the many other accomplishments which the people of the Trust Territory and the Administering Authority have achieved together, constitute a legacy of which the Micronesians, the United States and the United Nations can be proud.

Instead of recognizing these achievements, the Soviet Union has made baseless charges in an attempt to distract the attention of the world community from its own aggressive designs—which now appear to extend to the Pacific area. It is the Soviet misrepresentation of the situation in Micronesia, not the actions of the United States, which represents a clear effort to thwart Micronesian aspirations for self-government as manifested in their recent acts of self-determination.

Document 453

Statement Issued by the Department of State, September 15, 1983 [12]

Marshall Islands Approval of Compact of Free Association With the United States

On September 7, the electorate of the Marshall Islands voted in significant numbers to approve the Compact of Free Association. Final unofficial results from the United Nations-observed plebiscite show an approximate 60 percent approval margin for the Compact. The vote was preceded by a public education program administered by the Marshall Islands Government.

Under the Compact and its subsidiary agreements, which were negotiated over a 14-year period, the Marshall Islands will be fully self-governing and will conduct its own foreign and domestic affairs. The United States will provide economic assistance to the island nation of 32,000 people

[12] Source: Department of State Press Release 342, September 15, 1983; also printed in Department of State *Bulletin*, November 1983, p. 59.

and will guarantee its freedom and territorial integrity through the defense and security authority granted it by the Compact.

The Compact will come into effect after it has been approved by the U.S. Congress and the present trusteeship arrangement has been terminated. President Reagan, in a televised address, has committed his support to the Compact and the administration plans an early submission to Congress. The Marshallese people have long sought the termination of the Trusteeship. Their vote in the plebiscite, which is recognized as a sovereign act of self-determination, will provide the basis for termination of the trusteeship status.

The plebiscite in the Marshall Islands was preceded by an intense political campaign which highlighted several of the issues in the Compact. Chief among these are the provisions of the negotiated settlement which address the legacy of the nuclear weapons testing program conducted by the United States in the Marshall Islands between 1946 and 1958. Most of the traditional and elected political leadership of the Marshall Islands urged approval of the Compact and in the end their advice was followed by a majority of the Marshallese people.

The Marshall Islands is one of the three states of the Trust Territory of the Pacific Islands to conduct plebiscites on the Compact of Free Association. Palau, on the western end of the Trust Territory, conducted its plebiscite on February 10, 1983, and the Compact was approved by a 62 percent majority, however, conflicts between the constitution and the Compact must be resolved. In the Federated States of Micronesia, 79 percent of the people voted to approve the Compact on June 21. The Federated States has also completed its governmental approval process.

The Compact defines the relationship between the United States and the new Micronesian states, as well as their international political status after the Trusteeship is terminated. Now that the people of the Marshall Islands have approved the Compact, it is ready for submission to the U.S. Congress where it requires majority approval by both Houses. After such approval, the United States will take up the question of Trusteeship termination in the United Nations.

The Northern Mariana Islands, a fourth political jurisdiction in the Trust Territory, voted in 1975 to approve a negotiated commonwealth arrangement with the United States. Under this arrangement, the people of the Northern Mariana Islands will become U.S. citizens and United States sovereignty will extend to the islands when the Trusteeship is terminated. All four political jurisdictions of the Trust Territory now have locally elected constitutional governments.

The United States has administered the Trust Territory of the Pacific Islands (TTPI) since 1947 under the Trusteeship Agreement with the United Nations. The islands comprising the TTPI were administered by Japan under a League of Nations mandate between World War I and World War II and were liberated from Japanese control by United States forces during the last years of World War II. Today, economic activity in the islands is centered in agriculture, fishing and tourism. The Compact contains incentives for investment, trade and business development which will assist the islands in developing a stronger private sector. The Compact also guarantees economic development assistance from the United States.

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4. Developments Affecting Southeast Asia

Document 454

Transcript of a Department of State Press Briefing, June 22, 1983 (Extracts) [1]

Secretary Shultz's Trip to the Far East

MODERATOR. Good morning. As we previously announced, this briefing is on the Secretary's upcoming trip to East Asia. [2]

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[1] Source: Department of State files. This was a background briefing given by two senior Department of State officials beginning at 10:30 a.m.

[2] Secretary Shultz left Washington on June 23, 1983, to visit the Philippines, Thailand (where he addressed the opening session of the

Continued

The briefing is on background, for your information only. Both of your briefers have some initial comments for you, and I suggest that you hold your questions until both have finished their remarks.

FIRST DEPARTMENT OFFICIAL. The key point in the Secretary's visit to Asia is going to be his attendance at the post-ministerial meetings in Bangkok with the ASEAN Foreign Ministers. Before that, he is going to have a short stop in the Philippines for meetings with President Marcos and Prime Minister Virata, and he will have bilateral discussions with the Thai Government in Bangkok before leaving Bangkok next Wednesday. [3]

The post-ministerial session is a tradition that began in 1979 growing out of the dialog that the ASEAN countries had established with major industrialized countries—the United States, Japan, Canada, New Zealand, [Australia,] and the EC. It consists of meetings, the first of which is a meeting between the five Foreign Ministers of the ASEAN countries and the six Foreign Ministers representing the dialog partners. Then, it is followed by individual dialog between the five Foreign Ministers and each of the dialog partners separately.

During the course of the 2 days of meetings, the Secretary will be having bilaterals with each of the ASEAN Foreign Ministers and, in fact, also with each of his dialog partners, so it will be a busy session of meetings.

The post-ministerial will focus on Kampuchea with the ASEANs trying out and perhaps discussing with us the ways in which we can continue to pursue the strategy that they have very successfully put together for trying to achieve a political settlement in Kampuchea.

The United States fully supports the position of ASEAN on Kampuchea. [4] We believe that ASEAN's approach to the problem, based on the International Conference on Kampuchea has the best chance of attaining a settlement that meets the legitimate interests of all parties concerned, including Vietnam. [5] The creation of a truly neutral independent Kampuchea holds the future to peace and stability in Indochina. We will be emphasizing in Bangkok our strong supporting role, and we will be listening carefully to what the ASEANs have to tell us.

We are, likewise, concerned with the security of Thailand, a longtime friend and ally of the United States. This concern is shared by Thailand's ASEAN partners. The Secretary's presence in Bangkok will affirm further our longstanding interest in Thailand's security and prosperity as well as that of its ASEAN partners.

Another issue that will be on the agenda will be the question of refugees. It will figure, I think, both in the formal sessions and the bilateral meetings with the ASEAN governments. With the cooperation of countries-of-first-asylum and countries of ultimate resettlement, the community of concerned nations has thus far dealt effectively and in an humane manner with the enormous problem posed by the movement of Indochinese refugees. The United States itself has taken more than half a million refugees for resettlement. The ASEAN countries have accepted an enormous burden as countries-of-first-asylum, and one of our purposes will be to assure them that, in fact, ultimate resettlement in other countries is assured.

We share with the ASEAN countries a fundamental interest in a stable and open international political system, and there will be a good deal of discussion about global political issues. I think there will be a great deal of interest in hearing from the Secretary on the U.S. approach to East–West relations and on arms control negotiations and our hopes for the success of those negotiations.

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postministerial meeting of the ASEAN), India, Pakistan, Syria, Saudia Arabia, Lebanon, Israel, Jordan, and Egypt. He returned to Washington on July 8, 1983.

[3] June 29, 1983.

[4] See document 522.

[5] Reference is to the conference held at the U.N. Headquarters in New York, July 13–17, 1981. On July 17, the Conference issued a declaration in support of a swift political solution to the Kampuchea problem. For text, see *American Foreign Policy: Current Documents, 1981*, pp. 1023–1025. On October 21, 1981, the U.N. General Assembly adopted Resolution 36/5, by a vote of 100 (United States)–25–19, to further encourage a comprehensive political solution to the Kampuchea conflict and to establish a zone of peace, freedom, and neutrality in Southeast Asia. For text, see *ibid.*, pp. 1030–1031. Also see U.N. General Assembly Resolution 37/6 adopted on October 28, 1982 by a vote of 105 (United States)–23–20, printed *ibid., 1982*, pp. 1099–1100.

They are also very interested in our security presence in the Pacific, which they and we see as providing an essential underpinning for regional stability and security.

The growing role of the ASEAN nations internationally has led to a heightened interest and involvement on their part in the state of the world economy, and that will be a subject of considerable discussion in Bangkok. The ASEAN nations represent an impressive success story of development and of substantial sustained rates of growth over very long periods of time, though those growth rates have fallen from the previous high levels of the 1970's due to the current world economic problems. We expect there will be keen interest in United States views on the prospects of recovery and in hearing from the Secretary and from Under Secretary Wallis on the results of the recent economic summit at Williamsburg, and particularly about its implications for the developing countries.

We will be discussing in economic areas some specific points such as the renewal of the GSP, which is a subject that those countries have great interest in, and in general issues of market access in the United States for ASEAN manufacturers. We share with them a concern about the specter of growing protectionism, and we will be discussing that in Bangkok.

We will also cover United States policies toward aid in the international financial institutions, and the Secretary and the President are firmly committed to assisting the developing countries to meet their economic goals, and we will be reaffirming this in our dialog with the ASEAN countries.

In sum, what we expect is a friendly, informal atmosphere with an open and productive dialog on a very broad range of major political and economic issues. The ASEAN countries individually and ASEAN as an organization are really both impressive success stories, particularly compared to what one might have expected to have happened in the region 10 years ago in the wake of U.S. withdrawal from Vietnam. What has happened, in fact, is cause for considerable hope and satisfaction. The countries are dealing with their own problems in their own ways very effectively. They have formed an effective partnership in addressing difficult international issues, particularly the problem of Kampuchea; and they have shown themselves as a group able to conduct mature and productive dialogs with the advanced industrial countries, including ourselves.

This has personally been an outstanding tradition and one that Secretary Shultz very much looks forward to continuing. This will be his first time there as United States Secretary of State.

My colleague will continue.

SECOND DEPARTMENT OFFICIAL. The visit by Secretary Shultz to India and Pakistan should be seen as the fulfillment of the long-delayed plans of the Secretary of State of the United States to visit this very important area and to have on-the-ground discussions with the leadership of these two countries. Some of you were in Brussels in December of 1981 when we had a lot of snow and the Polish crisis, and the plane did not go to South Asia. I mention that because it is important to understand that this is not something that is coming up 2½ years into the administration. It was on our plate early on. Everyone understands why the visit didn't take place at that time.

Now it comes against the backdrop of the administration's success in its attempts to strengthen a relationship with Pakistan to improve relations with India, and as we see the last few years, also against a backdrop of improved relations between India and Pakistan, and good movement throughout South Asia with respect to the countries relating to each other and trying to solve their problems.

We have received here a variety of South Asian leaders. Obviously, the most important have been the Prime Minister of India in mid-July 1982, [6] I believe it was, and the President of Pakistan in December. [7] We have just had meetings between the Secretary of State and Foreign Minister Doha of Bangladesh, and we have had visits and high-level contacts through the 2½ years with other senior leaders of other countries, Sri Lanka, Nepal.

You have seen the schedule. The Secretary will be spending roughly 2 days in

[6] Prime Minister Indira Gandhi visited the United States, July 28–August 4, 1982.

[7] President Zia Ul-Haq of Pakistan visited the United States from December 6 to 14, 1982. He met with President Reagan and other U.S. officials in Washington, December 6–9.

each country. In India we see this as a natural follow-on to the successful visit of Mrs. Gandhi. The Secretary will be meeting with a wide range of Indians. He will also be chairing the Joint Commission with his colleague, Foreign Minister Rao. Of course, we are interested in improving our bilateral relations and also in taking the opportunity for wideranging discussions on regional and other issues. Mrs. Gandhi is the president of the Non-Aligned Movement—this is important. We will be discussing issues as diverse and as important as peace in the Middle East and economic recovery.

The Pakistan visit as well will be a continuation of the important dialogs we have had with senior leaders of the Government of Pakistan. I've already mentioned the very successful visit of President Zia here in December of '82. We have also had high-level discussions most recently in May—the visit of Foreign Minister Yaqub Kahn, when he came to discuss Afghanistan in the context of the Geneva talks. We will be discussing bilateral issues in Pakistan as well as regional issues of mutual concern. The Secretary will also chair the inaugural session of the U.S.–Pakistan Joint Commission with his colleague, Foreign Minister Yaqib.

. . . . . .

Q. It was stated that before the Secretary visits India, the percent of Tarapur spare parts will be settled. Could you bring us up to date on this?

SECOND OFFICIAL. We're well aware of the issue of the Tarapur spare parts, and I can assure you we're working on this subject.

. . . . . .

Q. In Bangkok, in the post-ministerial, are you expecting this notion of the Australian Foreign Minister acting in some sort of liaison role with the Vietnamese, which I gather was discussed with Prime Minister Hawke when he was here, to get much airing?

FIRST OFFICIAL. Foreign Minister Hayden is scheduled to go from Bangkok to Hanoi. So I would imagine there would be a great deal of interest in what kinds of views he might convey when he's in Hanoi.

I think it's one of the points that we have emphasized repeatedly in our discussions with the Australians—and I think both the Foreign Minister and Prime Minister Hawke, when he was here, have indicated agreement with [8]—that it's very important that what we do, the United States and Australia, should be in support of the ASEAN countries and with their concurrence.

The key to success in this whole effort is to recognize that it is the ASEAN countries that have the most direct stake in it. It is by supporting those countries that we have the best chance of achieving a political settlement.

I think, for that reason, I would assume that both from the Australian side and from the ASEAN side there'll be a great deal of interest in making sure that there is a very clear understanding by the Australians of the ASEAN position and what they would hope to achieve.

Q. Following up on that question, when Mr. Hawke was here he spoke of Australia's offer to mediate. What is the U.S. position on Australia serving as a mediator between ASEAN and Hanoi on the Kampuchea issue?

A. I hope he didn't use the word "mediate." I don't like the word "mediate" because that implies a role for Australia in between ASEAN and Vietnam, whereas I think the role that we see as one that could be useful is as a country that clearly supports ASEAN, clearly supports ASEAN's objectives, which Hawke made very clear they see as their role.

From that position, which is not that of a middleman, but rather of one of the countries strongly supporting ASEAN, being able to possibly play a useful role as a channel of communication.

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[8] Australian Prime Minister Robert Hawke made an official working visit to Washington, June 11–15, 1983 at the invitation of the President. During his stay he met with the President, the Vice President, and also Secretaries Shultz, Weinberger, and Regan. He also met with Chairman Volcker of the Federal Reserve Board, and with Chairman Feldstein of the Council of Economic Advisers. See document 462.

Q. Can you tell us something about why the Secretary is going to Peshawar and the Afghanistan connection?

SECOND OFFICIAL. The Secretary is going to be in Pakistan, and it would be unusual if he, of all the visitors to hit Pakistan, didn't visit the site where there are 3 million refugees from Afghanistan. As you know, we have made significant contributions to the area of these refugees over the last 3 years—about $94 million. Obviously, he would wish to go there and visit this area, to see it on the ground, to see it himself. It's a very important component of the Afghan equation.

You have roughly 4½ million refugees, most of them in Pakistan, the rest in Iran. That's one-third of the population of that country. When you think of a future settlement in Afghanistan, you also must think very much about the future of these people. There is a current humanitarian issue.

Q. Can you give us an update on where the negotiations stand at the moment? How close is an agreement?

SECOND OFFICIAL. I think this is the third Geneva negotiating session. It started in June of '82, the second in early '83, and the third one is now, and this is in Geneva.[9]

I mentioned earlier that the Foreign Minister of Pakistan had come to talk to us about these negotiations. He also had visited before coming here, China, France, the United Kingdom, and he visited the Soviet Union before going to Geneva. So the Pakistani Foreign Minister consulted with the five permanent members of the Security Council.

These negotiations are being carried out under the auspices of the United Nations—Under Secretary Cordovez—who is holding so-called indirect talks in Geneva; indirect because the Pakistanis will not recognize the Soviet puppet regime, and although the Soviets are not officially represented, they've always got someone sitting out in the hall who seems to make most of the decisions for the Babrak Karmal types that are around there.

As far as where they are going, no one is sure. We support the concept of a negotiated settlement. We support the U.N. effort. We hope it succeeds. As we understand the position of the Pakistanis—and they have made this clear not only to us but to all of those who support the U.N. resolution and the Islamic Conference resolutions—the Pakistani position is based on the four key elements of those resolutions: Withdrawal of Soviet forces; return of the refugees with dignity, honor, and security; the right of the Afghans to choose their own form of government—who's going to represent them in Kabul—and the recreation—I emphasize recreation—of an independent, nonaligned Afghanistan.

The Soviets, of course, focus on the issue of so-called external interference. You know the theology and mythology. The Soviets were called in, according to the Soviets, because there was this great uprising, and the government said, "Please come and save us," so they did with 105,000 troops, helicopter gunships, napalm, all those wonderful things you used to see on American television, but you don't see it there.

The Pakistanis have engaged on the other side of the equation the issues that have been discussed so far, and that has been on the need for a time certain for a Soviet withdrawal. Those are the issues that have been discussed to date. There are these other two issues that are very important, which are of primordial importance, that I mentioned. They'll also be introduced into this, certainly by the Pakistanis, at an appropriate time.

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So that's where it stands. We don't know what the prospects for success will be. We hope they show progress.

Q. These four elements you talk about—those are the four what? Ideal goals—

[9] Reference is to the U.N.-mediated talks between Pakistan, Afghanistan, and the Soviet Union beginning, June 16–25, 1982, in Geneva. The talks were conducted by Diego Cordóvez, U.N. Under Secretary-General for Special Political Affairs, who met with each of the involved parties in an effort to establish a basis for more direct and substantial talks. A second round of talks took place in Geneva, April 11–22 and a third round, June 16–24, 1983, after which Cordóvez stated that "some progress" had been made but that "certain things must still happen" before an agreement could be reached.

SECOND OFFICIAL. Those are the four elements in the U.N. resolution [10] and in the resolutions that have been repeatedly supported by the Islamic countries.

Q. But the discussion now—

SECOND OFFICIAL. Which represents the Islamic world.

Q. But isn't it correct that the real negotiations now, the discussions now, fall somewhat short of those ideal goals?

SECOND OFFICIAL. Yes. I mentioned that.

Q. Yes. And I was wondering—

SECOND OFFICIAL. There were two they were focusing on.

Q. Right. Would the United States support a settlement that doesn't reach the level of those goals, but at least I suppose your main concern is getting the Soviet troops out. But I mean, will the—in other words, I'm asking you, in a direct way, how far the United States will go to help the Afghan refugees come back to their country and choose their own form of government? Or will it be enough that you get somewhat close to that goal and get the Soviet troops out, leaving a pro-Soviet government?

SECOND OFFICIAL. We have our own policy on this, and a very important element of our policy is the association of the Afghan people with their form of government, and an independent, nonaligned government. I think that answers your question. I really can't speculate.

. . . . . .

[10] Reference is to U.N. General Assembly Resolution 37/37, adopted on November 29, 1982, by a vote of 114 (United States)–21–9. For text, see Department of State *Bulletin*, January 1983, p. 80.

Document 455

Statement by the Secretary of State (Shultz), Bangkok, June 28, 1983 [11]

"The United States and the ASEAN States Share the Ideal of Unity in Diversity"

A few months ago, when I had occasion to talk about Asia and the Pacific to an American audience, I suggested that events in this part of the world have a large part in shaping our common future. [12] I had ASEAN very much in mind. I would single out three of your accomplishments in particular, which are a model for the rest of the world:

First, you have turned diversity from potential weakness into a significant strength by identifying and building upon common interests.

Second, you have attracted worldwide respect and support by resolutely resisting aggression while demonstrating a willingness to negotiate.

Finally, you have attained remarkable economic progress by taking the high road of reliance on market mechanisms and disciplined economic management to release the impressive energies and talents of your own people.

There is great importance for all of us in each of these achievements.

The United States and the ASEAN states share the ideal of unity in diversity—and for two of us it is the national motto. When I think of the monuments left by the great civilizations of Southeast Asia—Jogjakarta, Ayutthaya, and elsewhere—I am reminded of the different histories of the countries of the region, but also of a common cultural heritage.

Today when I see the different skylines of the ASEAN capitals—each of which has

[11] Source: Department of State Press Release 255, July 1, 1983; also printed in Department of State *Bulletin*, September, 1983, pp. 24–26. Secretary Shultz made this statement at the opening of the ASEAN dialog.

[12] Reference may be to the Secretary's address, document 445.

changed even since my last visit—I am reminded that you are building a common prosperity.

Not only ASEAN but all the nations of the world are today being drawn closer to each other every day by technological innovation and economic expansion. This very process, however, sometimes makes nations and peoples anxious about preserving their individual identities. We all recognize that diversity is not a "problem", but an expression of the freedom, independence, and moral values that we nurture and safeguard. While our unity provides greater strength and efficiency, our diversity brings creativity, adaptability, and meaning to our relationships.

No greater challenge faces our peoples or the leaders of our countries than the challenge of preserving peace. President Reagan believes that we best do that by combining strength with a willingness to solve problems through negotiations.

By rebuilding our own military strength we not only hope to deter aggression but also to persuade the Soviet Union to negotiate seriously for arms control.

At the START talks and INF talks in Geneva, at the Mutual and Balanced Force Talks in Vienna and at the U.N. Committee on Disarmament, we are seeking substantial, verifiable reductions or limitations on nuclear, chemical, and conventional forces.

Our efforts to solve problems through negotiations extend beyond arms control to efforts at resolving the regional disputes that so often are the cause of wars. We are, as you know, working with patience and determination to bring about a peaceful resolution of the problems that beset the Middle East. Our policies toward Namibia and Afghanistan incorporate the same principles.

In the effort to achieve a political settlement for one of the most important of these problems, that of Kampuchea, it is the ASEAN countries that have pointed the way for the United States and for the entire world. My government strongly supports both ASEAN's refusal to acquiesce in the consequences of aggression and ASEAN's readiness to negotiate a comprehensive political solution. [13]

[13] See document 522.

The U.S. support for ASEAN's policy toward Kampuchea signifies our full commitment to support our common goals in Southeast Asia. We follow your lead. We know that the chances of persuading Vietnam to change its course are greater if the message comes from its neighbors. Regional security, like economic progress, is more solidly constructed if rooted in local initiative. But you will find us working steadfastly by your side.

Withdrawal of foreign troops, self-determination, and the establishment of a neutral and independent Kampuchean Government, in accordance with the principles established by the International Conference on Kampuchea, would protect the interests not only of the Kampuchean people, but of every state in the region, including Vietnam. We are painfully aware of Kampuchea's recent tragic history. The non-Communist resistance leadership of Prince Sihanouk and Prime Minister Son Sann has our moral, political, and diplomatic backing. However, we will have no dealings with the Khmer Rouge.

Like you, we recognize that Thailand, as a frontline state, deserves full support. We have a bilateral security relationship with Thailand. Our airlift of Howitzers and ammunition and the expedited delivery of other material to Thailand during the last Vietnamese dry season offensive was concrete testimony to our resolve in this regard.

The growing Soviet presence at Cam Ranh Bay introduces a further disturbing element of tension into the region. A matter of particular concern is the clear evidence that toxin weapons have been used against innocent people in isolated areas of Kampuchea and Laos. It is imperative that we join together in calling for an end to use of chemical and toxin weapons on innocent people. In doing so, we may help to bring about a halt to this inhumane activity.

The United States is aware that one of the more deplorable consequences of Vietnam's policies—the flood of refugees into neighboring states—is a problem that imposes continuing responsibilities on us all. Although the majority of these refugees have been resettled and the flow into ASEAN countries has greatly diminished, neither first asylum nor resettlement countries should lose sight of those that remain. The United States is taking steps to simplify its processing procedures and

will propose a program to Congress for the next fiscal year which, together with the continued efforts of other resettlement countries, should reduce the refugee population significantly. We remain committed to doing our part in helping ease the refugee burden on ASEAN members. We are confident that other resettlement countries will also continue to do theirs.

On one particularly painful matter, we ask your help. Accounting for the Americans missing in Indochina is a matter of highest national priority for President Reagan and the American people. We urge both Hanoi and Vietnam to cooperate in resolving this humanitarian issue. The United States greatly values any assistance the ASEAN countries can provide us in seeking the fullest possible accounting of our missing men. As for Laos, the United States has shown readiness to improve relations based on concrete steps by both sides. We remain committed to this process.

The whole world is now painfully aware of something that the ASEAN states have known for a long time—we are all in the same boat economically. When one country's growth falters, all countries lose markets. When one country erects barriers to trade, people in all countries are denied opportunities for mutual benefit.

The economic growth of the developing countries—including most definitely the ASEAN countries—is important to the United States, not only because it is good for you, but also because it is good for us. One out of every twenty workers in our factories and one out of every five acres of our farmland now produce for Third World markets. Forty percent of total U.S. trade is with developing countries. Deterioration in our international accounts, particularly our exports to developing countries, accounted for about half of the decline in our GNP last year.

The reality of mutual interest between North and South creates a relationship of mutual responsibility. Our common task is to make this link a spur to growth in both developing and developed countries. Right now the name of the game is economic growth.

To meet that challenge, President Reagan has set three broad tasks for his administration.

First is to lead the way to long-term global economic recovery. That is the single most important thing the United States can do to restore growth in the developing world. I am happy to be able to say that the progress we have made to date is encouraging. Interest rates and inflation are down. Employment and labor productivity are up. U.S. real GNP rose at an annual rate of 2.6 percent in the first quarter and according to the preliminary estimate, at an annual rate of more than 6 percent in the second quarter. The challenge now, which we and other industrialized states took up in Williamsburg, is to turn this revival into sustained, noninflationary growth.

We don't pretend that our recovery is by itself the key to restoring growth in the developing world. To the contrary, the most important engine of growth for developing countries is the investment financed by domestic savings. On average, the developing countries devote about one quarter of their GNP to investment, with 80 percent of that investment financed by domestic savings. In this respect, as in so many others, the ASEAN countries are doing better. More than 90 percent of your gross investment comes from domestic savings. The ASEAN countries must be congratulated for having given their citizens the incentives to produce, save and invest while relying on market prices to allocate scarce capital efficiently. They have thus moved out onto the road of sustained growth.

However, the U.S. also does its part through official and private investment flows. Worldwide, the United States is the largest provider of official development aid, and we have increased the amount during each year of the Reagan administration. Of more than $8 billion that we provided last year, nearly $1 billion went to ASEAN countries either as bilateral assistance or as the U.S. share of World Bank and Asian Development Bank loans.

But an even larger contribution, in the ASEAN countries at least, is made by direct U.S. private investment, which we estimate to have reached a level of about $10 billion by 1982. That is an increase of more than 100 percent in just 2 years. American businessmen certainly have confidence in ASEAN. And well they should.

The second large contribution that we can make to your development is to provide markets for your products. For the developing countries in general, the income derived from exports in 1980 was

17 times that from foreign aid. The ASEAN countries earned roughly $65 billion from exports last year, almost 30 times the amount of foreign assistance from all sources. About 17 percent or $11 billion of these exports went to the United States and ASEAN had a trade surplus with the United States of $1.3 billion.

That is why our burgeoning recovery is so important to everyone. An increase of just two percentage points in the growth rates of the industrial nations would add roughly $20–25 billion to the annual export earnings of developing countries by 1985 if exports grew at the same rate. And that is why the second task President Reagan assigned his administration is so important—to work with our trading partners to resolve problems of market access and in particular to find a way, as the President said, "to integrate developing countries in the liberal trading order." The ASEAN countries are already leading the way in that effort.

We greatly appreciate the constructive efforts by your governments to strengthen trade liberalization measures in GATT. The United States is pleased that the Williamsburg conference endorsed this goal, referring in particular to the possibility of a new negotiating round with special emphasis on "expanding trade with and among developing countries." We are also well aware of the importance of our GSP program to ASEAN countries. The Reagan administration is committed to the renewal of that program and our chance of success will be greater the less are your barriers to imports from us.

The last task outlined by President Reagan is to lead in assisting international financial and trade institutions to strengthen world growth. At Williamsburg, other free market industrialized nations joined in this effort. And they share in particular our concern over the debt burden borne by developing countries.

A strategy for restoring growth will require determined efforts by many of the developing countries themselves, including difficult readjustment and discipline in domestic policies. The ASEAN countries have shown that they have the foresight and discipline to make such adjustments when necessary. But austerity alone is not a sufficient solution to the debt burden that the developing countries face. If everyone practices austerity and cuts imports, that only chokes world trade and spreads the hardships further. The objective must be to preserve the creditworthiness of countries and their ability to import new private capital in future years. There is no point in more austerity than is necessary for this objective. Until domestic adjustments and expanding world trade reduce the relative burden of debt service, there will be a continuing role for official financing and emergency assistance.

In each of the ways I have described, your countries are ushering in a new period of peace and prosperity to Southeast Asia. The efforts of this accomplishment reach far beyond your region. In an environment of global interdependence, your regional initiatives are felt throughout the world. All of your dialog partners have a major stake in your success.

It should not be surprising, therefore, that ASEAN is the central focus of our policy in Southeast Asia. You may continue to rely on the United States for full support for your policy toward Kampuchea. You can also rely on us as a responsive dialog partner of other matters affecting your security and economic development. We stand committed to the security of Thailand as the frontline state and to playing a constructive role in the region as a whole. Through our development assistance programs, our support for the international financial institutions, our private sector investment and our participation in the ASEAN–U.S. dialogue, we are engaged in your development efforts, both bilaterally and multilaterally. We remain committed to fulfilling with you our continuing humanitarian duty to shelter and resettle Indochinese refugees.

As the 1980's face us with common problems and common challenges, the United States will do its part in the common effort.

Thank you.

Document 456

Transcript of a Joint Press Conference by the Foreign Ministers of the Association of South East Asian Nations Postministerial Meeting, Bangkok, June 28, 1983 [14]

"The Views of the United States Are That We Support the Approach of the ASEAN Countries to the Problem of Dealing With the Kampuchean Issue and All Related Matters"

The ASEAN dialog partners have just concluded their meetings this afternoon. Their Excellencies, the Ministers of ASEAN and the dialog partners, are very happy to give a press conference here. Please state your name and organization when you pose a question.

Q. Could I ask both Mr. Shultz, the U.S. Secretary of State, and Mr. Hayden, the Australian Minister for Foreign Affairs, of their hopes for the outcome of the visit of the Australian Minister to Hanoi? [15]

SECRETARY SHULTZ. The views of the United States are that we support the approach of the ASEAN countries to the problem of dealing with the Kampuchean issue and all the related matters. So, when it comes to any approach to Hanoi, we believe that it ought to be coordinated and be seen as useful by the ASEAN countries. And it is our understanding that they feel Mr. Hayden's visit could be useful, but I think it is up to them to say. That is the approach of the United States.

MR. HAYDEN. As I understood the response yesterday afternoon from the ASEAN Foreign Ministers, they, as Mr. George Shultz pointed out, saw that the visit could be useful and they supported it and Mr. George Shultz made it clear later that if they supported it then the United States was prepared to endorse it.

Q. I have a question for Secretary Shultz. Mr. Secretary, what evidence does the United States have, and how firm is it, that the Vietnamese are withholding the remains of Americans killed in Indochina, or missing in Indochina? Why would the Vietnamese be doing it and why are you making a point of it at this meeting?

SECRETARY SHULTZ. We make a point of our concern to know what has happened to the missing in action and to have returned to us the remains of those killed in action because we care so much about the men in our armed forces who have fallen and about their families. So, I took the occasion here to ask for help from the countries in this region and they all were considerate enough to say that they would give it to the extent they possibly could. According to our information, we still have missing, I think, 2,494 and we have intelligence that suggests that the remains of quite a sizable number are in hand but have not been turned over to us. So we wish as a matter of deep concern to the families involved and out of respect for the deceased that those remains be returned to us. We have sought help and it has been offered.

Q. And the third point was what would the motivation of the Vietnamese be for what I understand you called cruel behavior?

SECRETARY SHULTZ. I have no reason to speculate about their motives. I don't have anything to add on that.

Q. I would like to address this question to Professor Mochtar as a spokesman of ASEAN on Mr. Hayden's visit. What is ASEAN's view on Mr. Hayden's visit to Hanoi?

PROFESSOR MOCHTAR. As long as Mr. Hayden's visit is in a framework of seeking a solution along the lines of how ASEAN sees the Kampuchean problem should be solved, we think it might be useful and he is welcome to tell us what he has learned in Hanoi. In fact, we welcome this from anybody who has relations with Hanoi.

Q. I would like to ask a similar question to Mr. Maceachen of Canada. In view of

[14] Source: Department of State Press Release 240, June 28, 1983; also printed in Department of State *Bulletin*, September 1983, pp. 26–31.

[15] On June 30, 1983, Australian Foreign Minister William Hayden met with Vietnamese Premier Pham Van Dong in Hanoi to discuss proposals for bringing peace to Kampuchea, which was occupied by Vietnamese troops, and the possibility of resuming Australian aid to Vietnam.

the fact that Canada has been praised for not doing the same thing—

MR. MACEACHEN. Well, I want to continue to be praised. And I find Professor Mochtar's answer very acceptable for Canada. If the Australian Minister can play an effective and useful role, certainly we would welcome that.

Q. I propose my question to Minister Abe. Could you please elaborate about the implementation of Prime Minister Nakasone's proposal regarding the ASEAN and Japanese meeting of the Ministers for Science and Technology, and second, about the act of the Japanese Government regarding the discriminatory tariffs against ASEAN products?

MINISTER ABE. I'd like to answer your questions. First, when Prime Minister Nakasone made his visit to the ASEAN countries, he proposed to the leaders that they hold a Ministerial Conference on Science and Technology. As a followup to this proposal of Prime Minister Nakasone, I have suggested in this morning's session with the ASEAN Ministers that we will be dispatching, this coming August, a survey team which will discuss the issue further with the peoples concerned in the ASEAN countries. And, if possible, by the end of this year we wish to hold a ministerial conference on Science and Technology. If no particular ASEAN nation would like to host this conference, we will be happy to hold it in Japan. But, in any case, the issue would be up for further consideration among the peoples concerned. Second, on the issue of customs, I wish first of all to point out that Japan will expand by 50 percent, the import ceilings of the generalized systems of preferences concerning industrial and mining products and that, in December of this year when the tariff council will be held, the items of interest to ASEAN will be considered there and I would hope that favorable results could be achieved in the council through deliberations on the ASEAN items.

Q. I would like to address my question to Secretary Shultz. Since the United States did not sign the Treaty of the Law of the Sea, could you tell us what is the motive of that, and are you willing to participate in the future in signing the Treaty of the Law of the Sea?

SECRETARY SHULTZ. The reason we have not signed the Law of the Sea Treaty is that we believe the provisions for a mining convention are seriously flawed and will not lead to the development of the seabed resources but quite the reverse. The reason, basically, why they are flawed is that they say to private enterprise, which might want to develop the technology and ability to do that, that this enterprise must, in effect turn over its expertise to an international authority and then, with whatever it is able to earn in the use of its technology, finance that international technology to compete with it. It doesn't seem to us that that is likely to strike any enterprise as a very good deal and therefore it is not likely to result in what can be a very useful exploitation of the seabed resources. And so we felt that it is a seriously flawed element of the treaty and therefore we have not signed. Other elements of the treaty which have been worked on a long time, I know, are broadly satisfactory to the United States and we intend to live by them.

Q. I would like to address my question to Secretary Shultz. In your statement, you mentioned your support, moral, political and diplomatic support, for Prince Sihanouk and for Son Sann and then you also added that you will not have any dealings with the Khmer Rouge. I don't hold any brief for the Khmer Rouge. In fact, I am against them, but is there any purpose in your emphasis on this question at this time, and I would like to know whether ASEAN Ministers explained to you why ASEAN supports the Khmer Rouge as part of Democratic Kampuchean Coalition?

SECRETARY SHULTZ. The reason why we don't support the Khmer Rouge is because of their very cruel behavior when they were in charge. We support the Sihanouk and Son Sann approach to government because we think they represent the prospect of a return to a sovereign and democratic Kampuchea and are joined in an effort to bring about the removal of the forces of Vietnam from Kampuchea according to the principles and programs set by the ASEAN countries.

MINISTER DHANABALAN. Excuse me, can I make a correction? There was an assumption in your question that ASEAN supports the Khmer Rouge. I must make a correction. We do not support the Khmer Rouge. We recognize the Government of Democratic Kampuchea. We support the Son Sann and Sihanouk factions and we are supporting the coalition government

in order to enable the KPNLF and Prince Sihanouk's groups to grow. So the assumption in your question is quite wrong.

Q. I would like to address my question to the Japanese Foreign Minister. This is regarding the Japanese plan to repatriate Kampuchean refugees from Thailand back to Cambodia. I believe no one present on the panel here today recognizes the Phnom Penh regime or has had contact with it. But I would like to find out what kind of message should be directed at the Phonm Penh government in order to bring this repatriation about. And can the Minister explain what means are being considered at the moment—the physical mechanisms—to get these refugees back?

MINISTER ABE. In Thailand alone, there are currently approximately 160,000 refugees who are still here. The issue was discussed at the dialog that we held with the ASEAN partners and this is rooted in the proposal that we presented last year. In last year's meeting, we presented a proposal to establish a voluntary return center for the refugees in the western part of Cambodia and we said that we will provide enough funds to implement such a center. Of course, I must point out that all the management and implementing measures will be taken by an appropriate international agency. Ever since last year, this idea has not progressed. But, in view of the fact that there are many refugees who wish to return on a voluntary basis under the condition that the implementation will be undertaken by an international agency, we proposed that we will be ready to provide enough funds and assistance in order to implement such an idea.

Q. My question is for the U.S. Secretary of State. Sir, I would like to ask you to expand on your remarks concerning a growing Soviet threat to the region specifically focused on Cam Ranh Bay and Da Nang. Ever since I have been out here, U.S. policymakers have spoken of a growing Soviet threat to the region based on Soviet activities there. But we get very few specifics, so if you could expand on what the Soviets are doing.

SECRETARY SHULTZ. I think we have to start with their support for the Vietnamese invasion of Kampuchea. That is point one. Point two is the use of those bases. And point three, so far as we can see, is the gradual shift to using the bases as home ports or basing areas, particularly for submarines so that they are able to project their sea power into this region. Those are examples of the growth of Soviet influence.

Q. But U.S. policymakers said almost precisely the same thing 3 years ago. Is there any indication now that the Soviets are setting up permanent facilities in Vietnam as opposed to temporary facilities, or only using Vietnamese facilities?

SECRETARY SHULTZ. Well, those bases are there, and ports are there, and they regard them as places to station themselves—I don't know whether the word permanent is the right word. I hope it isn't. But certainly it is an effort to use those facilities for the purpose of projecting Soviet power into this area. That is the statement that was made.

Q. I have two questions. The first one I would like to address to Secretary of State Shultz. It is in followup to my friend's question on the MIA question. Recently, a few months ago, some of the American team used Thai soil to rescue American MIA's in Laos. But they were not very successful—to mention, Mr. James Bo Gritz's team. Such action has surely soured neighborly relations between Thailand and Laos. Has Washington introduced any measures to prevent such teams from using Thai soil for such action? If not, what is the American policy with regard to the MIA's in Laos when the civilian operations would rescue them? My second question I would like to address to Mr. Hayden about Cambodia. There is so much speculation, and I hope that your trip to Hanoi tomorrow would not be a failure, but in order to pursue the solution for the Cambodian question, I think I am on the side of Australia in bridging the gap between the two countries. My question is: Do you have any other options in mind—let's say, for example, an Australian proposal for a comprehensive political settlement by bridging the so-called modalities and substance between the two groupings, or, for example, in a large international conference, to accommodate the two parties for a peaceful settlement? Thank you.

SECRETARY SHULTZ. As to your first question, I am not sure that I understood it clearly, but to the extent that I did, it involves how to approach this issue. And, of course, any means that can be effective we are for. And there have been private efforts organized. There is a joint center that works on it, but principally we believe

that work through official channels is probably the most effective method in the long run. It is a problem sometimes that people wanting to be helpful, may push into something and raise hopes and they are dashed, and so on. But, clearly, we are anxious to have any method used that will help return the remains of the deceased and provide information for us and for the families involved, on those who are missing.

MR. HAYDEN. If I could answer the second question—we have certain principles we have declared. They are fairly common with those declared by other interested parties; withdrawal of Vietnamese forces from Kampuchea and self-determination within Kampuchea; the neutralization, independence, and nonalignment of Kampuchea; normalization of relationships within the region; and, respect and preservation of the territorial sovereignty of countries of the region. They seem to be fairly common principles and, as we understand it, recently have been expressed by a Vietnamese spokesperson. I guess the task I see ahead of me is trying to sort out to what extent there is some sort of common understanding as to the interpretation of those declarations. In spite of the commonality of interests, there hasn't been much success in getting people together. Having said all that, we approach the task before us with a great deal of caution and respect for its daunting quality. As I've said many times before, on the balance of probabilities, we shouldn't expect to achieve much success. For all that, we are prepared to go ahead and enter into some sort of discussion. The task we embark upon is nothing more than that.

Q. This is for Mr. Shultz. Your last answer just raised my question into a two-parter. You say that any means that would be effective we are for. Are you saying, then, that if you were convinced that a private mission to look for MIA's would be effective, you would not be against it or you would not try to stop it? And the second part of my question has to do with the Kampuchean coalition, and if I understand U.S. policy correctly, the United States is willing to give political and moral support to the coalition but not military aid. Could you be specific as to why military aid to the coalition would not be productive, or rather, why it would be counterproductive?

SECRETARY SHULTZ. On the first question, I think the key word is "if it has a good chance of being effective." On the second question, we feel that we can support them, of course, as we do through our security relationship with the Thais. But, insofar as other support is concerned, we think that nonmilitary support is the kind of thing that we should do in support of the ASEAN effort here.

Q. My question is directed to Mr. Mochtar. Discussions have taken place on the future of the New Zealand force in Singapore and Australian Air Force units in Malaysia. Do the Five see the maintenance of these forces in place as a significant factor in the maintenance of a united stand against Hanoi on the question of Vietnam's occupation of Kampuchea?

FOREIGN MINISTER MOCHTAR. I think in ASEAN, there is a healthy principle which we keep. We make a distinction between bilateral relations of the individual countries on which we don't comment because that is their own business and ASEAN matters. I don't see the relation between the forces you mention and the ASEAN position on Kampuchea.

Q. My question is addressed to the Thai Foreign Minister in his role as chairman. I would like to know whether the ASEAN Ministers have any reservations about Mr. Hayden's forthcoming visit to Vietnam, and whether the ASEAN Ministers see Mr. Hayden as performing any role on their behalf. If I may, I'd also like to ask Mr. Shultz whether he has raised the question of the American MIA's with Mr. Hayden with a view to perhaps Mr. Hayden raising it with the authorities in Hanoi?

MR. SIDDHI. Well, I think that Mr. Hayden had a dialog with us, among ASEAN. Yesterday, we explained our position very clearly. I think that Mr. Hayden understands very well. So, as this is an international problem, we have no reservations concerning Mr. Hayden's trip to Hanoi. We also told Mr. Hayden the progress that we have made thus far. If he can probe further and get more information for us, it would be very useful to our search for peace and a political solution for Kampuchea. I would say that Mr. Hayden has a role to play and we have no reservations about his trip at all.

Q. For Secretary of State Shultz and Mr. Genscher. Secretary Shultz, could you summarize the negotiations with the

Soviet Union on intermediate-range nuclear missiles targeted on Western Europe and Asia? Do you see any movement in those negotiations? Have you received a responsible answer from the Soviet Union? I have a followup for Mr. Genscher.

SECRETARY SHULTZ. The United States has made proposals in Geneva for reductions in the deployment of the SS–20's and offered first that those weapons should just be eliminated—both the weapons that are planned to be deployed by the United States and the comparable Soviet weapons. Just eliminate them from the face of the earth—that was not acceptable to the Soviet Union. So we have now proposed that they agree to a global limit, that there be some number of warheads that each side would accept as a limit, and we have not specified a number because we felt that there was more room for give-and-take if we said just some equal, verifiable level. So we have proposals on the bargaining table that are reasonable, that have been worked out with our allies, including with Mr. Genscher and his government, and that are global. At this point, I can't tell you, I am sorry to say, that there has been any reasonable response, but we are there at the negotiating table and so is the Soviet Union and if there can be a negotiated outcome, we obviously would regard that as constructive.

MR. GENSCHER. We have always felt that the Soviet Union will be ready for serious negotiations only if it is firmly convinced that the intended deployment in Western Europe will take place if no results have been achieved at the negotiating table. This will be one of the important points to be discussed during the forthcoming visit to Moscow which will take place next week. We should leave no doubt about the fact that, unless concrete negotiating results are achieved, deployment of U.S. intermediate range nuclear missiles in Western Europe will take place. Western Europe means the Federal Republic, Italy, and the United Kingdom as this was decided by NATO in December 1979.

Q. May I address a question to the ASEAN Foreign Ministers? ASEAN is very successful in staging one conference after another. You had the meeting with the EEC in April and now you have the post-ministerial conference with the dialog countries, but my impression is that more and more time is dedicated to the Kampuchean conflict and I wonder whether you have chosen the right dialog countries. Therefore, I would like to ask you what was the criteria to choose dialog countries? And, secondly, wouldn't it have been better to choose other dialog countries, for instance, Vietnam or China or Moscow?

MINISTER DHANABALAN. Can I answer the question? It is quite wrong to say that we have spent all our time talking about Kampuchea. We had two sessions with the dialog countries. One was what we call the five plus six; that is all of us together. We spent the whole of yesterday morning and then we met with each of the dialog partners. In the meeting of the five plus six, I would say we probably spent about 25–30 percent of the time talking about Kampuchea. In the five plus one, almost the entire time was devoted to economic and other issues and not Kampuchea. So your question is not even based on the right reading of what went on here.

Q. What impact, in fact, are the discussions on the common issues going to have on the current UNCTAD meeting? Is there going to be a softening of the stand? Because of the discussions, are these a part of the negotiating tactics which they normally (inaudible)? At first, they start with the (inaudible) and then later on (inaudible) they modify their postures. Would the United States, for instance, ratify the Common Fund as a result of the discussion?

SECRETARY SHULTZ. From the standpoint of the United States, we consider the development of the developing world to be of critical importance to us—our trading relationship, our strategic relationships with Third World countries are of great significance, and therefore, we have devoted a great deal of thought and attention to this issue. We have expressed ourselves in a constructive spirit and we have gone to the UNCTAD meeting in that same manner. We feel that the general tenor of the discussions at UNCTAD, and at other places, is becoming more and more realistic and concerned with the operational aspects of development. There are a vast number of points on which people now agree, in particular, the importance of trade and investment, as well as aid, to the development process. The industrial countries must be willing to take the products of the developing world if they are to get anywhere. Just to give a number, I believe that the earnings which flow to the

ASEAN countries from trade exceed those from aid, including from multilateral lending institutions, by a factor of thirty, so you can see the relative importance of trade.

As far as the Common Fund is concerned, our view is that the problem of very volatile commodity prices has classically been a genuine problem for both the producing and consuming countries. But we do not feel that the way to get at that problem is to try to have a broad scheme of price controls. Although there is a buffer in there in terms of working through the mechanism of commodity agreements, the Common Fund involves raising money in order to implement what would be purchasing policies by commodity agreements to maintain certain price levels. We think that, in the end, it wouldn't work. It would bankrupt the Fund. We believe that a better approach to this problem is to look at it from the standpoint of the income flows to countries that are especially affected by the commodity price issue, and in that regard, the IMF compensatory financing approach appeals to us more. So, we haven't found the Common Fund approach one that we think is workable. It is not a question of ideology. It is a question of workability, and, of course, we are ready to look with people at the practical aspects of the Common Fund and other means, but at this point we are not convinced that it will really serve the purpose for which it was intended.

Q. I would like to direct a question to the Indonesian Foreign Minister. Foreign Minister Abe has been saying that Japan intends to increase aid to Laos, and in your speech in today's Japan-ASEAN meeting, ASEAN accepts the continuation of Japanese aid to Laos but you said that ASEAN does not feel that such aid should be increased. Does this statement represent the views of all ASEAN nations, and if so—this question might be directed to Mr. Abe—if so, what is Japan going to do? Is Japan going to keep on with its original plan?

MR. MOCHTAR. I think our position has been made clear in the statement this morning. I think the thrust of the statement is that any aid to Laos should not end up giving assistance to the occupation of Kampuchea. That is the gist of it. And, as for the other part of the question, maybe Mr. Abe can answer.

MINISTER ABE. Concerning this Kampuchean question, Japan strongly supports ASEAN's position and, until the Vietnamese forces are withdrawn from Kampuchea, Japan will continue to freeze aid to Vietnam. Laos, however, is not Vietnam, and Laos has not invaded Kampuchea. Of course, Laos may be influenced by the Vietnamese, but Laos is an LDC, a less-developed country. We have been providing Laos with humanitarian aid even though that aid has been scaled down since the occurrence of the Kampuchean problem. But, in view of this interdependent relationship we have with Laos and from the standpoint of providing humanitarian assistance to Laos, this aid to Laos will continue. But I wish to make one thing clear—that this aid will not in any way serve to strengthen the Vietnamese at all. This will be strictly used for the improvement of the people's welfare in Laos. Even if the aid to Laos were to be increased, I do not believe that it will contradict in any way ASEAN's position. Of course, we do not envisage any drastic increase of our humanitarian aid to Laos, but when necessity arises, it may be increased by some small scale.

MODERATOR. Since Their Excellencies will have to attend a function in a very short period of time and there are still three more questions waiting to be posed, could you please be short and concise?

Q. Mr. Genscher, what is your assessment of the political impact of this dialog which has taken place here on the general East-West relationship?

MR. GENSCHER. It has always been the policy of the countries of the European Community not to transfer the West-East conflict to other regions of the world. And so I think it is clear that this political dialog which has taken place between the member countries of ASEAN and the member countries of the European Community—the United States, Canada, New Zealand, Japan, and Australia—may make an essential contribution toward the policy of greater stability, both politically and economically, in the world. And, seen against this background, this present dialog could very well have a stabilizing effect on East-West relations. For this purpose, however, it would be necessary for both sides—not only the Western countries but the Soviet Union and its allies, as well—to pursue a policy characterized by moderation all over the world.

In other words, by noninterference in the affairs of other countries and by the consistent application of the principle of the non-use of force. In practical terms, this means the withdrawal of Soviet forces from Afghanistan and the withdrawal of Vietnamese forces from Kampuchea.

Q. Mr. Shultz, according to reports in today's newspapers, you inferred at yesterday's meeting that Australia's initiatives on Kampuchea were stupid. Did you use that word, and, if so, in what context?

SECRETARY SHULTZ. I used the word but not in any respect with regard to Australia. I used the word in characterizing a process. We were discussing negotiations and I said it seems to me that sometimes we get involved in a process where we say that we want to be reasonable and we do want to be reasonable and we make a proposal and the other side says no. And so people say, "Be reasonable. Make another proposal." So we make another proposal. And the other side says no. So we move, and so they say, "Well, you've got to be reasonable. Make another proposal." And I say, in that process, we are being reasonable. We are being stupid. And the point is that when we are engaged in the process of bargaining, we should be bargaining with our opposite number at the bargaining table and not with ourselves. That was the origin of the remark "stupid" and it wasn't applied to anybody. I don't know how the press possibly cooked up that characterization.

Q. My first question is directed to Mr. Hayden. What will Australia's position be at the United Nations with regard to Democratic Kampuchea? My second question is toward the Japanese Minister who just said that Japan will make sure that its humanitarian aid to Laos will strictly be used for humanitarian purposes. Has Japan worked out some sort of mechanism to make sure that this aid will only be for humanitarian purposes?

MR. HAYDEN. For Australia's part, we will make a determination on our attitude about that matter at the United Nations when it is closer to being discussed at the United Nations. At this point we recognize no government in Kampuchea and we recognize one of the elements of the so-called democratic coalition government as it presents itself.

MINISTER ABE. Under the Japanese economic cooperation scheme, we only provide economic cooperation after thorough and intensive consultation with the recipient government as to the usage of the cooperation which will be extended. This will be done in a very close, detailed manner. Japan has diplomatic relations with Laos and our aid to Laos had been only that humanitarian aid that I mentioned. We will continue to make sure that under this Japanese system of making closely, detailed studies of how the aid will be used, we will continue to implement the aid directly linked to those humanitarian needs.

MODERATOR. The press conference is adjourned.

Q. I have one last question. The question is to Secretary Shultz. You said earlier that the U.S. Government might be prepared to help private groups try to recover the remains of American servicemen in Vietnam if those efforts appear to have a reasonable chance of success. Can you tell us (1) how that determination will be made; (2) whether we are currently providing aid to any such group; and (3) if Bo Gritz came up with a plan that seemed reasonable, would we support it?

SECRETARY SHULTZ. I appreciate your giving me an opportunity to clarify my answer and I think I can concisely do so by saying in response to your third question that the answer is very unlikely, but these things would have to be looked upon case by case.

Q. Thank you very much.

5. The Question of Chemical Warfare

Document 457

Statement Read by the Department of State Acting Spokesman (Romberg), June 1, 1983 [1]

U.S. Rejection of Hypothesis That Yellow Rain Might Be a Natural Phenomenon

We've seen the press reports on the hypothesis advanced at the American Association for the Advancement of Science, AAAS, in Detroit that the source of yellow rain may be bee excrement.

The hypothesis that yellow rain, trichothecene mycotoxin, may be a natural phenomenon has in fact been exhaustively studied and subsequently rejected by responsible and qualified scientists in and out of government.

Samples of trichothecene mycotoxin taken from actual attack sites comprise only a portion of the total body of evidence that toxins are being used as weapons. The full range of evidence includes eyewitness accounts of attacks by victims, and further testimony by medical and relief workers, journalists, defectors, private U.S. and foreign citizens, and government officials.

Data from other samples, human blood and urine and tissues analyzed following the autopsy of victims have confirmed the presence of trichothecene mycotoxins. Direct interviews with attack victims by medical personnel, information from sensitive intelligence sources, and analysis of toxin residues actually found in the area of attack corroborate our conclusions.

Taken as a whole, this evidence contradicts the natural phenomenon hypothesis. It is incorrect to speculate and draw conclusions on the basis of a narrow analysis, admittedly incomplete, of one limited aspect of a portion of the evidence in isolation from the full range of available data.

Specifically, the notion that trichothecene mycotoxins originate in bee droppings is proven false by the following: One sample residue, droplet, in which toxin was present was removed from a rock at an attack site and weighed 300 milligrams, certainly more than a bee could drop.

The toxic effects of falling yellow rain have been reported to be immediate. The level of toxin causing immediate debilitating and often fatal effects in humans is certainly sufficient to kill a bee. Trichothecene mycotoxin affects all living systems. In short, a bee could not survive to excrete the toxin.

The bee speculation ignores the fact that pollen was not found to be present in all samples analyzed, including three that were found to contain the toxins.

Yellow rain attacks have been limited in both geographical location and to groups resisting the regimes in Laos, Kampuchea, and Afghanistan. If the occurrence of trichothecene mycotoxin were of natural origin, such as from bee droppings, toxic effects would surely be more widespread in the region, afflicting other areas and groups of people. Nothing of the kind has been reported in any of the three countries, nor has such a phenomenon been observed in neighboring countries.

Our evidence continues to mount that trichothecene mycotoxins are being used. We believe that in drawing independent conclusions, people should focus on the entire body of evidence. In the face of this persuasive and incriminating data drawn from multiple sources, speculation which serves to divert attention from the continuing human tragedy in Asia does little to contribute to a solution of the problem.

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[1] Source: Office of Press Relations, Department of State. The statement was read at the Department of State Daily Press Briefing beginning at 12:41 p.m. References to the laughter of the press corps during the Acting Spokesman's statement have been deleted from the source text.

Document 458

Note Verbale From the Acting Representative at the United Nations to the U.N. Secretary-General (Peréz de Cuéllar), August 4, 1983 [2]

Further Evidence on the Use of Chemical and Toxin Weapons

The Acting Permanent Representative of the United States of America has the honour to submit a further report on the use of chemical and toxin weapons which contains new evidence available to the United States. It is based on the scientific analysis of a series of blood samples, drawn from victims of earlier toxic attacks in Laos, that were frozen for future analysis, as well as blood samples drawn from victims of a toxic attack in Kampuchea in March of this year.

The United States of America, over the past three years, has submitted a series of reports presenting the evidence in detail and continues to be deeply concerned over the use of chemical and toxin weapons in flagrant violation of international conventions and international law. In view of the concerns of Members of the United Nations as expressed in General Assembly resolutions 35/144 C, 36/96 C and 37/98 D and E,[3] and in view of the study being conducted under your direction on means of dealing with allegations of use of chemical, biological and toxin weapons, it is requested that the enclosed report be circulated at an early date as an official document of the General Assembly under item 61 of the provisional agenda.

[2] Source: U.N. document A/38/326. The U.S. Acting Representative is not further identified in the source text.

[3] U.N. General Assembly Resolution 35/144 C, Chemical and Bacteriological (Biological) Weapons Report of the Committee on Disarmament, passed 78 (United States)-17-36 on December 17, 1980; U.N. General Assembly Resolution 36/96 C, Chemical and Bacteriological (Biological) Weapons, passed 86-20-34 (the United States abstained) on December 9, 1981; U.N. General Assembly Resolution 37/98 D, Provisional Procedures to Uphold the Authority of the 1925 Geneva Protocol, passed 86 (United States)-19-33 on December 13, 1982; and Resolution 37/98 E, Chemical and Bacteriological (Biological) Weapons, passed 83 (United States)-22-23 on December 13, 1982.

ANNEX

FURTHER REPORT ON USE OF CHEMICAL AND TOXIN WEAPONS—NEW EVIDENCE AVAILABLE TO THE UNITED STATES

The United States continues to receive and analyze disturbing evidence and reports of use of chemical and toxin warfare agents in Laos, Kampuchea and Afghanistan. The use of these weapons is a flagrant contravention of two major international agreements and customary international law.

In an ongoing effort to call world attention to the problem, and to secure a halt to the use of these weapons, the United States has periodically released its evidence. Over the past two years, biomedical samples (blood, urine, or tissue) from victims have been analyzed in American laboratories for the presence of T2 and HT2 trichothecene toxins. To date, biomedical samples from 20 victims of eight separate toxin weapon attacks in Laos and three separate attacks in Kampuchea have been shown to contain trichothecene toxins. Control samples, taken from similar individuals who had not been subjected to toxin agent attack, were negative. Additional samples from victims and controls have been collected over the past year and are currently under analysis employing newly developed, more sophisticated, increasingly sensitive, state-of-the-art techniques. The complexity of trichothecene analysis in biomedical samples has necessitated development of new techniques and analytical procedures, a lengthy and tedious process. The levels of trichothecenes detected cannot be attributed to any known natural phenomena. Previously reported analysis results of biomedical and other data may be found in earlier United States submissions.

The following is an account of the results of the analysis of four additional sets of blood samples.

On November 6, 1981, a Lao resistance fighter was injured by a toxic agent grenade in northern Vientiane Province of Laos. Following the blast he experienced severe eye irritation and tearing and was blinded for approximately 30 minutes. Within a few hours, and continuing over a period of several days, he experienced the development of hundreds of small (2 to 5 mm) fluid filled blisters on the exposed areas of his upper torso and edema of the head and neck.

He was assisted to the Nong Khai Hospital in Thailand where the camp physician and a U.S. physician examined him on November 11 (5 days after the attack) and noted the blisters and mild conjunctivitis in both eyes. Blood samples were drawn at that time, chilled and maintained on ice during transit to the United States, and frozen for future analysis.[4] Two blood samples, analyzed at the U.S. Army Chemical Systems Laboratory for the presence of traditional chemical agents, were negative for such agents. Three blood samples were submitted to a private U.S. laboratory for analysis by gas chromatograph-mass spectrometer (GC–MS) technique for the presence of trichothecenes. Detectable levels of T2 and HT2, a metabolite of T2, were found in all three samples of the victim's blood as follows:

Sample No.	*T2*	*HT2*
1	9 ppb	6 ppb
2	10 ppb	6 ppb
3	9 ppb	5 ppb

(ppb = parts per billion)

On 24–26 March 1982, at the Nong Khai refugee camp in Thailand blood samples were drawn by U.S. and camp medical personnel from H'Mong refugees who reported symptoms as a result of exposure to aircraft-delivered toxic agent warfare attacks in Laos on the 3d, 11th and 16th of January 1982.

Symptoms reported by the victims included: headache, nausea, vomiting with blood, diarrhea with blood, weakness, vertigo, drunklike sensations, and visual disturbances. As a result of the attacks, of 154 people involved, 44 died within 2 to 5 days of exposure. Analysis of a blood sample from one of the surviving victims, a 10-year-old boy, for T2 and HT2 trichothecene toxins revealed the presence of 32 ppb HT2. This victim also was suffering from malaria and showed a depressed white cell count of 4,200. The blood samples were handled in the same manner as above, and analysis was performed at the same private U.S. laboratory using identical GC–MS techniques.

Also on 24–26 March 1982 at the Nong Khai camp, blood samples were drawn from four H'Mong who had been exposed to attacks on 15 February 1982 in Laos. The survivors reported that two attacks were directed against several villages with a collective death count estimated to be between 85–100 people. Most of the villagers' chickens and half of their pigs also died. Rice, tapioca, and other crops were affected as well. Symptoms reported by the victims included: fever, headache, nausea, vomiting, diarrhea, double vision, coughing, chest pain, eye irritation and tearing, hearing difficulty, fatigue, and jaundice.

Blood samples from these victims were handled and analyzed as with the others, for the presence of T2 and HT2 trichothecene toxins. The blood of one of the victims showed the presence of 28 ppb T2 and 16 ppb HT2 toxin. This individual, a 35-year-old male, had also been exposed to a previous toxic agent attack in mid-December 1981.

Blood was drawn at the same time from three control individuals in the camp who had not been subjected to a toxic agent attack. These control samples were analyzed for T2 and HT2 trichothecene toxins with negative results.

On March 20, 1983, at Khao Din refugee camp in Thailand, near the Kampuchean border, three young Kampuchean women aged 18, 19, and 25, complaining of effects of a toxic agent, were examined by physicians. The three victims complained of symptoms typical of past trichothecene toxin exposure victims. They had become ill on March 9 after passing through an area in Kampuchea reported to have been subjected to a toxic agent attack on March 4 and 5. Blood samples were drawn from each victim and from two control individuals who were living in the same area under the same conditions as the victims, but who had not been exposed to any toxic agent.

The blood samples were analyzed by a private United States laboratory for the presence of T2 and HT2 toxins. One of the victims still had detectable levels of both T2 and HT2 (19 ppb T2 and 32 ppb HT2, respectively) in her blood. Blood samples from both control individuals were negative for both toxins.

[4] Due to the volume of samples received and the limited capacity of the laboratories conducting the analyses, it has been necessary to freeze some biomedical samples while higher priority samples were analyzed. Since only one victim was sampled in this attack, it initially received a low priority. [Footnote in the source text.]

All samples were submitted on a blind, coded basis to a private United States laboratory. Blood samples were precipitated with acetone and filtered. The filtrate was evaporated to dryness, dissolved in methanol: water (1:19, v/v) and passed through a XAD-2 column. The 90 percent methanol eluate was collected and dried on a steam bath. The samples were analyzed on a HP-5985B gas chromatograph-mass spectrometer data system.

Document 459

Statement by the Representative in the First Committee of the U.N. General Assembly (Solarz), November 4, 1983 [5]

"Based on U.S. Government Reports . . . We Believe That the Soviet Union and Its Allies Have Violated the 1925 Geneva Protocol on Chemical Weapons and the 1972 Convention on Biological and Toxin Weapons"

Mr. Chairman, since August of 1980, the Government of the United States has reported periodically to this Committee, to the Secretary-General, and to Member States on its findings regarding chemical warfare in Afghanistan and Southeast Asia. I refer you in particular to the reports "Chemical Warfare in Southeast Asia and Afghanistan," released on March 22, 1982 and circulated as U.N. document A/37/157, and "Chemical Warfare in Southeast Asia and Afghanistan: An Update," released in November 1982 and circulated as U.N. document A/C.1/31/10. [6] Our most recent report was submitted to the Secretary-General in August of this year. [7]

The United Nations is a singularly appropriate institution to address this question, because the use of illegal chemical weapons poses a threat to every member-state of the United Nations, but most of all to those developing countries least able to protect themselves against such attacks. It is, indeed, only in the developing nations that such weapons have been used since World War I. Only if we speak out and take appropriate action here will the terror end over there.

Based on U.S. Government reports, as well as international reports on this issue, we believe that the Soviet Union and its allies have violated the 1925 Geneva Protocol on Chemical Weapons and the 1972 Convention on Biological and Toxin Weapons. [8] It is a long way from the walls of the Kremlin to the rugged mountains of Afghanistan, the serene hills of Laos, and the lush jungles of Kampuchea. But, by some evil logic, and in callous disregard for human life, the Government of the Soviet Union has decided to use chemical weapons to further its expansionist foreign policy aims, or, at least, to test these weapons on Asian peoples.

My government realizes full well that these are serious charges, as do the other governments that have made them. Yet there are still countries who question these charges. Similarly while many experts, who are technically qualified to make judgments on the matter, have concluded that chemical warfare has taken place, there are others who challenge the validity or relevance of this conclusion.

Most governments genuinely share the abhorrence with which the United States regards chemical warfare, and share our commitment to end it once and for all. Allow me now to review briefly my Gov-

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[5] Source: U.S. Mission to the United Nations Press Release USUN 126-(83), November 7, 1983.

[6] For an extract from the March 22, 1982, report prepared by the Department of State, see *American Foreign Policy: Current Documents, 1982*, p. 1005. For an extract from the November 1982 report by the Department of State, see *ibid.*, p. 1019.

[7] *Supra.*

[8] For text of the Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous or other Gases, and of Bacteriological Methods of Warfare, signed in Geneva on June 17, 1925, and entered into force for the United States on April 10, 1975, see 26 UST 571. For text of the 1972 Convention on Biological and Toxin Weapons, signed in London, Washington, and Moscow on April 10, 1972, and entered into force on March 26, 1975, see 26 UST 583.

ernment's evidence and to tell you why, in spite of conflicting claims, that we believe, beyond a shadow of a doubt, that illegal chemical weapons have been used in Southeast Asia and Afghanistan.

First, as of late last year, several thousand refugees had reported from over 200 chemical warfare attacks in Laos, over 100 in Kampuchea, and around 60 in Afghanistan. The earliest attacks took place in Laos in the mid-1970's, and the most recent in Southeast Asia this past summer. The refugees described substances of various colors having been released from airplanes or helicopters onto villages or resistance forces. In many cases, according to the reports, the symptoms associated with trichothecene poisoning appeared, in both humans and animals, soon after the attacks.

Second, *scientific analysis* by highly sophisticated methods of scrapings of agent residue taken from rocks and vegetation in reported attack areas in Laos, Kampuchea, and Afghanistan have revealed concentrations and combinations of mycotoxin trichothecenes never before observed anywhere in nature. Mycotoxins are not present in control samples taken from areas surrounding the point of attack. The testing of these samples was conducted by both U.S. Government and independent university scientists. The samples have been shared with other governments.

Third, *scientific analysis* by highly sophisticated methods of twenty samples of blood, urine, and tissue from reported victims of chemical warfare attacks have shown unprecedented concentrations and combinations of trichothecenes. The toxins are not found in control samples taken from individuals with a similar life history to the victims and who did not report being attacked.

Fourth, *doctors* who have worked as part of the international and private relief effort along the borders to which the victims of chemical warfare have fled almost uniformly report finding signs and symptoms which are not consistent with any known disease, but which do conform to symptoms associated with trichothecene poisoning. These doctors are citizens of France, India, the Philippines, Canada, and the United States.

Fifth, *testimony from defectors* who served in the Lao, Vietnamese, and Afghan armed forces, some of whom were involved in actual attacks, describes in minute detail the procedures employed in chemical warfare attacks and documents supervision by Soviet personnel.

If chemical warfare is occurring, as my government is convinced it is, then the Soviet Union is surely responsible. It is doubtful that Vietnam, Laos and Afghanistan have the scientific or technical capacity to manufacture these illegal substances. The Soviet Union does have that capacity. Can anyone doubt who has provided chemical weapons to these countries?

A number of people and nations have attempted to deny or explain away the accumulating evidence. Given the scientific complexity of the issue and the difficulties of collecting data, fair-minded governments and individuals can be excused for being somewhat uncertain. On close examination, however, none of the alternative hypotheses that have been put forward stand up to critical examination.

Most easily dismissed is the Soviet Union's own defense, which is hardly a defense at all. Moscow's undocumented charges of slander, distortion, and fabrication by the United States are not worth a reply. The United Nations own group of experts examined the Soviet critiques and gave them no credence whatsoever.

Some observers have taken issue with the testimony of refugees, which they suppose to be the principal foundation of the United States Government's case. These accounts are unreliable, it is said, because they are offered by individuals who have a political or personal axe to grind, or because they are in the grip of some sort of cultural hysteria.

Even if my Government were relying solely on refugee testimony, which it certainly is not, the stories of the victims are not to be dismissed. They come from a wide variety of Khmer, Hmong, and Afghan refugees, several thousand in number, ranging from little children to the elderly, who came from a variety of locations over a period of several years. The fact that many refugees do not report chemical attacks belies the theory of mass hysteria, thus lending greater credence to the accounts of the victims.

Regrettably, many people continue to regard refugee reports as inherently unreliable. History should teach us to open our ears. Refugees have a record of being

excellent sources of information on inaccessible societies and situations.

The first, early reports of the holocaust occurring in Nazi-occupied Europe were brought by people fleeing the terror. Despite the tendency of those who received these reports to dismiss them as implausible and inconceivable, they turned out to be true. Tragically, millions died before the horror ended.

I could cite other, more recent cases where the stories of refugees in Asia, Africa, and Latin America have been initially dismissed, but were subsequently confirmed. It strains credulity to believe that the refugees escaping "Yellow Rain" in Asia, alone among all the victims of repression, are uniquely engaged in a monumental hoax.

Finally, there are claims that mycotoxins are naturally present in Southeast Asia, as a result of fungi growing on vegetation, and on pollen excreted by bees. This would explain, it is argued, why trichothecenes have been found in the scrapings and medical samples.

I refer you, however, to the conclusion of a Canadian toxicologist who prepared a report for the Department of External Affairs of the Government of Canada: "Potential producers of trichothecenes exist in Southeast Asia, but neither naturally occurring diseases due to these toxins occur, nor are there any detectable levels of mycotoxins in the natural environment." [9]

The concentrations found in the "Yellow Rain" samples are orders of magnitude higher than those found by sophisticated techniques to have occurred naturally. The combination of trichothecenes in the Yellow Rain samples are unique. And, it should be remembered, trichothecenes are known to exist in nature only in temperate climates.

The truth is that no matter how hard those who prefer to see and hear and speak no evil may try, the evidence simply cannot be explained away. I must confess that I too was originally skeptical of the validity of the Yellow Rain case. But on the basis of a review of the evidence, congressional hearings, and conversations with doctors, scientists, and victims, my doubts have vanished.

Other countries have also conducted their own investigations. We would hope that more will do so. I have already made reference to studies conducted for the Government of Canada, the principal conclusions of which are as follows:

1. The events that are reported to take place at the time of alleged chemical warfare attacks cannot be explained on the basis of naturally occurring diseases.

2. Judging on the basis of eyewitness reports it appears that three different types of agents have been employed as warfare agents, one of them being "Yellow Rain." The others are green and white.

3. Most of the features described with "Yellow Rain" attacks are consistent with trichothecene mycotoxicosis.

4. Although certain types of mycotoxins occur in Thailand and probably also in surrounding countries, there is no history of evidence that they result in diseases with the symptomatology of trichothecene poisoning.

The governments of other countries have come to conclusions similar to those of the Government of the United States. Member countries of the United Nations have expressed their concern about the use of these weapons in General Assembly Resolutions 35/144C, 36/96C, 37/89D [*37/98D*], and 37/98E. Predictably, to no one's surprise, the Soviet Union and its allies voted against all these resolutions.

The United Nations own group of experts has played an important investigatory role. Formed in December 1980 in accordance with the U.N. General Assembly Resolution A/35/144C under the auspices of the Secretary-General, the group submitted its interim report a year later. Through Resolution A/36/96 C, the General Assembly extended its mandate for another year.

This group of experts, consisting of impartial experts from non-aligned countries, submitted its final report to the General Assembly on December 1, 1982. This report regarded as "unlikely to be valid" the Soviet interpretation that the presence of trichothecenes in samples tested was somehow connected with United States use of Agent Orange in Vietnam. The

[9] Reference is to the Canadian report entitled "A Study of the Possible Use of Chemical Warfare Agents in Southeast Asia; A Report to the Department of External Affairs" (1982), by Dr. H.B. Shiefer, University of Saskatchewan.

group did conclude, however, that, on the basis of interviews with doctors and victims, and of examination of physical samples, "it could not disregard the circumstantial evidence suggestive of the possible use of some sort of toxic chemical substance in some instances."

The group of experts did not reach a more definitive judgment because it was not permitted to make an on-site investigation in Laos, Kampuchea, and Afghanistan. The inability of the group of experts to arrive at a more definitive conclusion should not be laid at the door of the group. It was due to the rejection by the authorities controlling those countries of the group's request to undertake such investigations.

If the allies of the Soviet Union are really innocent of the charges, why did they not permit an independent inquiry to clear their name? If United Nations agricultural experts are welcomed in Laos, why not chemical weapons experts? The areas involved do not contain vital military installations, knowledge of which would jeopardize the security of those countries. What do they have to hide?

The Government of the United States believes it important that impartial and objective investigators have access to the affected areas. The rulers in Moscow, Hanoi, Vientiane, and Phnom Penh do not appear to share that belief. It seems clear that they know full well that such an investigation would not be exculpatory.

My government hopes that appropriate arrangements will soon be in place to allow the continued investigation of any further report of chemical weapons use. Meanwhile, the only responsible course for those governments who believe that such weapons have been used is to speak out and to act in accordance with the preponderance of evidence.

Mr. Chairman, we must not minimize the implications of this affront to the international conscience, of this retreat into inhuman barbarism.

The first implication concerns warfare itself. For over 5 decades, chemical and toxin weapons had been successfully eliminated from the battlefields of the world. In World War II, fear of retaliation was an effective deterrent to the use of chemical warfare among the developed countries, and remains so today. Developing countries, however, do not possess the means to retaliate. Condemnation of the governments responsible for using chemical weapons is the only recourse they have.

The second implication bears on international law. The prohibition on the use of chemical weapons has, by reason of the practice and affirmations of states, become a part of the rules of customary international law which are binding on all states. Toxins—biologically-produced chemical substances—fall within the prohibitions of both the 1925 Geneva Protocol and the 1972 Biological and Toxin Weapons Convention. Unless those who cynically violate these agreements are called to account, the continued viability of those agreements will be brought into question.

Third, violation of the world's oldest arms control agreement, the 1925 Geneva Protocol, puts other arms control and disarmament agreements in potential—I repeat, potential—jeopardy. Some have argued that Soviet defiance of international norms through the use of chemical and toxin weapons proves that arms control cannot work. If the Soviets blatantly violate two important international treaties, they contend, what will keep them from violating other arms control agreements as well?

By this logic, one would soon adopt a defeatist attitude regarding any arms control agreement. My Government cannot and will not accept such a gloomy scenario. It believes that arms control agreements with effective verification and compliance mechanisms are both possible and necessary.

The position of the Government of the United States is clear. Let me repeat: We are committed to the development of a convention that would prohibit the development, production, stockpiling, acquisition, retention, and transfer of chemical weapons. The convention should mandate the declaration and destruction of all existing stockpiles of chemical weapons, and of facilities for their production and filling. And it should include effective verification provisions to provide confidence that all parties are complying with all provisions of the convention. My Government regrets that the Government of the Soviet Union has been unwilling to negotiate seriously on verification procedures, specifically on-site inspection, on which such an agreement depends.

Until such a convention is concluded, the Government of the United States will continue to work with other members of the international community in an effort to stop the outrage of chemical warfare in Southeast Asia, Afghanistan and anywhere else. Moreover, we support efforts to strengthen the 1972 Biological and Toxin Weapons Convention and to enforce the existing legal constraints against the use of these weapons.

In December 1982, the UN General Assembly recommended by an overwhelming vote to call on the states that are parties to the Biological and Toxin Weapons Convention to hold a special conference to establish effective procedures for compliance with its provisions. [10] In addition, the General Assembly also requested the Secretary-General to establish procedures to investigate promptly possible violations of the 1925 Geneva Protocol. [11] We believe it is important that both resolutions be implemented promptly, and we will continue to participate in follow-on actions.

Having said that, I cannot stress too strongly that the use of chemical weapons in Afghanistan and Southeast Asia, in violation of international law and any moral standard, should stir all nations of the world. This is not a propaganda match between East and West. It is a conflict between right and wrong, between morality and immorality, and between humanity and inhumanity. One would hope that the United Nations would make clear on which side it stands.

As a representative of the United States Government and a member of the United States Congress, I wish to convey the deep concern that my colleagues in Congress and the American people as a whole feel about this issue. It is in that spirit that I would like to conclude with the timeless words of the English poet, John Donne:

> "No man is an island, entire of itself; every man is a piece on the continent, a part of the main. If a clod be washed away by the sea, Europe is the less, as well as if a promontory were: Any man's death diminishes me, because I am involved in mankind. And therefore never send to know for whom the bell tolls; it tolls for thee."

I cannot resist the obvious paraphrase: Ask not on whom the Yellow Rain falls—it falls on thee.

[10] U.N. General Assembly Resolution 37/98 A, Prohibition of Chemical and Bacteriological Weapons, passed 95–1, with 46 abstentions, on December 13, 1982. The United States voted against the resolution.

[11] Regarding this action, U.N. General Assembly Resolution 37/98 D, see footnote 3 above.

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6. The Question of Narcotics

Document 460

Prepared Statement by the Assistant Secretary of State for International Narcotics Matters (DiCarlo) Before a Subcommittee of the House Foreign Affairs Committee, March 18, 1983 (Extract) [1]

Narcotics Production and Trafficking in Southeast Asia

Mr. Chairman: Our testimony addresses narcotics production and trafficking from the Golden Triangle of Southeast Asia and the Golden Crescent of Southwest Asia, with particular focus on heroin imports into the United States from opium produced in those regions.

As requested by the Subcommittee, we are providing information on the U.S. strategy, Administration priorities, and cooperative efforts by major Federal organizations; data on shifts and trends in narcotics production and trafficking; descriptions of U.S. and other programs to assist the actions of governments in the region; perspectives on our relationships with those governments; and our assessments of results being achieved.

[1] Source: *Foreign Assistance Legislation for Fiscal Years 1984–85: Hearings and Markup Before the Subcommittee on Asian and Pacific Affairs of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), Part 5, pp. 500–508. For complete text, see *ibid.*, pp. 500–510. Omitted here are two appendices to DiCarlo's prepared statement.

OVERVIEW

Narcotics production

Heroin is our primary concern in both Southeast and Southwest Asia. Production estimates for opium production in Burma, Thailand, Pakistan and other countries are provided in the appendix to this testimony.

Heroin imports have fallen since the peak year of 1975, when 7.5 tons were imported. Since then, there has been a reduction in the number of users, and reduced production in Mexico resulting from the successful Mexican opium poppy eradication program. In 1979 and 1980, drought caused reduced production in Southeast Asia but bumper crops have been reported from that region in the past two years. These supply factors altered the profile of U.S. imports. In 1979, Southwest Asia passed Southeast Asia as the prime opium source for U.S. heroin, and subsequently has dominated the U.S. market. While drought, low prices and a government ban on cultivation sharply reduced Pakistani production in 1980, 1981, and 1982, there is still a considerable stockpile from prior harvests and subsequent Pakistani and Afghan production.

Southeast Asian traffickers are attempting to recapture markets in the United States and Europe, while expanding their markets in Southeast Asia, Australia, New Zealand and Canada.

The principal route for narcotics from the Golden Triangle crosses the Thai/Burma frontier; this border area remains the primary site of the region's heroin refineries. Once, trafficking in opium involved huge caravans of mules; although smaller caravans continue, trafficking today is often accomplished by truck or river boat, and human portage of morphine base. While most Golden Triangle narcotics are transported out of Burma's Shan State and across Thailand to reach the outside world, new routes have also been developed along the Burmese Tenassirim coast to Malaysia, or south through central Burma to the Andaman Sea, and then to Malaysia and Singapore. Other new routes cross into India. Hong Kong, Penang, Kuala Lumpur and Singapore, as well as Bangkok, provide way stations for international narcotics traffic and banking facilities for "laundering" the enormous amounts of money generated by the narcotics trade. Major international airports remain the preferred departure areas for traffickers. In an effort to avoid detection, couriers are taking circuitous routes which include the People's Republic of China.

Since 1978 increasing amounts of Southwest Asian opium have moved through Turkey to the European and U.S. markets. Pakistan, Turkey, and Italy have become important refining centers for converting Southwest Asian opium into heroin. Karachi has become an important international sea and air transshipment point; seizures of heroin have also increased significantly from flights originating in Islamabad and Lahore. Large shipments of heroin have also been seized while moving by road toward Iran. Pakistan's 1982 heroin seizure total was over 1600 kilograms, more than triple the amount of heroin seized in the country during 1981. Increasing amounts are consumed by Pakistan's growing heroin addict population.

The accuracy of intelligence estimates varies by country and region. For example, estimates for opium production in Thailand are based on aerial surveys while estimates for Burma and other countries are based on less exact field observations. Our Bureau is working with other units of government to improve the collection and analysis of narcotics intelligence.

Factors influencing narcotics control

There are factors which we believe are improving the opportunities for narcotics control. The abuse of heroin, cocaine, marijuana and other dangerous drugs is causing social, psychological, economic and health problems, not only in the United States and other industrialized, consumer countries, but in nations where these drugs are produced and transshipped.

Western Europe has 220,000 to 330,000 heroin addicts, compared to 387,000 to 453,000 in the United States—and both currently have intolerable levels of youthful abuse of cocaine, marijuana and other dangerous drugs. Estimates of the number of heroin addicts in Malaysia range from 100,000 to 300,000 out of a population of nearly 15 million; and there are 300,000 to 500,000 heroin addicts out of a population of 50 million in Thailand. There is a similar pattern of heroin abuse emerging in Southwest Asia, where opium use has also been traditional. There are an esti-

mated 50,000 heroin addicts in Pakistan, and an estimated 50,000 heroin addicts (and one million opium addicts) in Iran. These are considerably higher ratios for heroin addiction than in the United States.

Moreover, trafficking profits are supporting warlord groups such as the Shan United Army and insurgent groups like the Burmese Communist Party, both operating on the Thai-Burmese border and fighting for control of the opium/heroin trade in the Golden Triangle. There are also reports of linkages between drug traffickers and insurgents in South America, where drug trade dollars, the diversion of labor, and associated criminal activities are destabilizing social, political and economic infrastructures. Narcotics trafficking is a criminal transaction which undermines legitimate business through narco-dollar investments, drives up real estate prices, diverts labor away from traditional commercial enterprise, and corrupts law enforcement and other officials at many levels of government. Increasingly, narcotics trafficking is a violent enterprise, here and abroad.

The incentives to act are not just the diplomatic urgings and economic assistance offered by the United States, other governments and international agencies; today, there is also the stimulus of self-interest. These factors determine our opportunities for action, and thus shape our strategies.

Opportunities for action

As noted in more detail below, the Administration's international narcotics control program emphasizes crop control, supported by interdiction and other enforcement programs operating as close to the source as possible.

To a great extent, our ability to control international narcotics production and trafficking is dependent upon the effectiveness of the control programs undertaken by other governments.

Illicit opium for the international heroin market is produced in Afghanistan, Iran, Pakistan, Laos, Burma, Thailand and Mexico. The situations in the six Asian countries are different from those encountered in Turkey and Mexico, where effective opium control programs have been implemented. Turkey and Mexico were successful in controlling opium production because both had governments with the political will and capability to enforce their laws in the growing areas. No truly similar situations presently exist among other producer nations. For reasons unrelated to narcotics control, we have not executed agreements on narcotics control with Laos, Afghanistan, and Iran. The central governments in Burma and Pakistan do not yet have necessary control in all growing areas. We are dealing with less developed countries with generally fragile economic subsystems. Political instability is a factor. We are negotiating with the fourth Bolivian Government in 18 months.

At this time, it is not possible to engage all producer governments in eradication programs to the degree desired by the United States. At this time, it is not possible to obtain commitments from all producer governments covering all growing areas. We are making progress; we are receiving cooperation from governments on both crop control and interdiction; but, we have not obtained all of the agreements needed; some agreements have not been implemented to the degree desired; and we do not yet have control.

Legislation

We do not believe new legislation is needed in the international area. But, our foreign program would be enhanced by effective domestic efforts to reduce demand, interdict trafficking, and seize trafficker assets. In part, the responsiveness of other governments to our persuasion is tempered by their assessments of our domestic efforts. We believe these domestic efforts, which this Administration has sought to intensify, would be enhanced by Congressional passage of the Administration's anticrime proposals.

Goals and objectives

Our goals and objectives in Southeast and Southwest Asia are based on the Administration's international narcotics control policy which was declared in the Federal Strategy that President Reagan endorsed October 5. [2]

[2] Reference is to the *Federal Strategy for Prevention of Drug Abuse and Drug Trafficking 1982* (Washington, 1982), which was prepared for the President pursuant to the Drug Abuse Office and Treatment Act of 1972 by the Drug Abuse Policy Office, Office of Policy Development in the White House. This 76-page pamphlet was released by the White House on October 3, 1982.

The worldwide supply of marijuana, cocaine, heroin and other drugs is so great and trafficking channels to the United States so diverse that major interdictions and even crop eradications, when achieved in only limited producing areas, have caused only temporary declines in availability.

The Department's program strategy is therefore predicated on the ultimate objective of controlling production simultaneously in all key sectors of illicit drugs exported to the United States, so that significant and lasting reductions in availability are achieved. We believe that preventing cultivation and destroying illicit narcotics at their source will prove to be the most effective means of reducing availability. In keeping with that ultimate objective, INM's first priority, in negotiating bilateral agreements and in discussions on multilateral projects with international organizations which we fund, is on crop control—government bans on cultivation and production, enforced by manual or chemical crop eradication. Our second priority is on interdiction as close to the production source as possible and supported by other enforcement activities, and then on interdiction of drugs moving from producing areas and through transit countries to the United States.

The major drug producing and trafficking countries are parties to conventions which obligate them to control the production and distribution of illicit drugs. Our international strategy is based on encouraging and, where necessary, assisting these countries in meeting their responsibilities for reducing the cultivation, production, and trafficking in illicit drugs within their borders.

An important factor in our total effort is the diplomatic initiative which is giving international narcotics control a long-needed high priority. President Reagan has communicated Administration positions on crop control and eradication through the strategy, through messages to international bodies, through other public statements, and importantly, by direct communications with leaders of other nations. Secretary Shultz advised our Ambassadors and foreign ministries within weeks of taking office that he is committed to integrating the narcotics issue into our foreign policy agenda. Narcotics issues have become talking points in the discussions with many visiting foreign officials. The Secretary has emphasized that the response to narcotics must involve the international community. This high-level emphasis by the President, Vice President, Secretary of State, Attorney General and other officials is reflected in the cooperation the Administration has achieved in narcotics control, which is described in the Appendix.

Our Bureau responsibilities and programs include: policy development; diplomatic initiatives; bilateral and multilateral assistance for crop control, interdiction and related enforcement activities in producer and transit nations; development assistance; technical assistance for demand reduction; and, training for foreign personnel in narcotics enforcement and related procedures.

Our programs are tailored to both countries and regions. Because this Subcommittee will make recommendations to the full Committee on Foreign Affairs, our authorizing committee, we have noted in our testimony the amounts we are requesting for our programs in Southwest and Southeast Asia.

SOUTHWEST ASIAN NARCOTICS CONTROL STRATEGY

Southwest Asian summary.—Afghanistan, Iran and Pakistan are the principal sources of the opium from which over half of the heroin entering the United States is processed. For reasons not related to narcotics, we have not executed agreements with Iran or Afghanistan. Our regional strategy therefore centers on Pakistan as an opium producer, a heroin refiner, and a transshipment point for other SWA opium. Our Southwest Asian strategy also focuses on Turkey as a principal conduit of opiates moving from Southwest Asia to Western Europe and the United States.

Background.—Although opium poppies have been grown in the rugged Northwest Frontier Province (NWFP) for centuries, Pakistan has only recently become a major world producer and exporter of raw opium. In the past few years, Pakistan has also become a major processor and exporter of refined heroin and a significant factor in the world heroin market. A bumper crop of 800 metric tons of opium in 1979 made Pakistan that year the largest producer of illicit opium. Pakistan is also a transit center for other Southwest Asian opium.

In 1979, the Government of Pakistan banned the opium poppy. This ban is enforced in the "settled" areas, a term which describes those areas effectively under central government control. Government authority is being extended in the "merged" areas of the Northwest Frontier Province (NWFP); the central government's authority is only partially operative in such areas at present. The merged areas account for about 80 percent of Pakistani opium production. However, in "tribal" areas of the NWFP, where about 20 percent of the opium is cultivated, government authority has been exercised through agreements which allow tribal leaders much local autonomy. The presence of over two million Afghan refugees adds to enforcement difficulties in Pakistan.

Enforcement efforts to date.—In 1982, the Pakistani Government eradicated the opium poppy in the Buner area of the NWFP where a United Nations development project is operating—the first eradication effort in a merged area. In early 1982 the GOP seized a heroin laboratory in the tribal territory of the NWFP—for the first time since 1978—overcoming armed tribal resistance. In November and December, tribal leaders directed the closing of another two dozen heroin laboratories in the Khyber Agency, after meetings with government officials.

Pakistan has agreed to enforce its ban on opium cultivation in areas where it receives development assistance. Our rural development project in the Malakand Agency, begun in 1982, is the first project under this agreement on enforcement and is designed to encourage farmers to grow other crops and seek other income sources, and provide infrastructure support.

The $3.55 million INM has requested for Pakistan in FY 1984 provides greater support for the reduction of poppy cultivation and for enforcement against heroin processing and trafficking. The rural development project in the Malakand Agency has been funded for its third and final year in FY 1984. It is expected that by FY 1984 USAID will be collaborating on a similar narcotics-related development project in another NWFP poppy growing area, probably in the Gadoon, which will enhance efforts to enforce the poppy ban; the poppy control objectives of the AID project will be supported with INM enforcement assistance. The Malakand area produces about 10 percent of Pakistani opium; the Gadoon produces about 25 percent. Pakistan has also accepted restrictive "poppy clauses" which commit the government to keep USAID economic assistance project areas free of the opium poppy. These clauses are assurances that opium cultivation and/or heroin processing will not be enhanced by U.S. economic assistance.

The Bureau continues commodity and training assistance to Pakistani narcotics enforcement agencies to upgrade their capabilities. Over 1600 kilos of heroin were seized by Pakistani authorities in 1982.

The INM Malakand project and the prospective USAID projects are part of a program of continuing assistance to help Pakistan achieve control of narcotics. Since 1979, the following narcotics project agreements have been signed:

Narcotics control enforcement (POKER).—To support the development of a special drug enforcement unit in the Pakistani Customs Service at the port of Karachi by providing vehicles, communications equipment, other commodities, training and technical assistance.

Narcotics control enforcement.—To support training of officers from several law enforcement agencies both in Pakistan and in the U.S.; and provide funds for equipment for a Narcotics Training Center. The actual training has been provided by DEA and U.S. Customs. Additionally, communications equipment, vehicles and other investigative commodities have been procured for the PNCB joint task force units recently established in Karachi, Lahore, Peshawar and Quetta to enforce illegal narcotics trafficking.

Narcotics demand reduction studies.—To study drug abuse and related socio-economic factors in Gilgit. A smaller separate study is being concluded in Sialkot.

Forensic laboratory.—To provide equipment and training to permit the establishment of a badly needed forensic laboratory.

Agricultural outreach.—To develop an agricultural outreach program which will provide seed, fertilizer and small implements for alternative and improved crops.

Malakand agency development program.—To improve economic and social conditions

through rural development projects in the Malakand Agency of the NWFP, in order to enhance the GOP's capability to enforce its ban on opium poppy cultivation.

Other programs.—U.N. Agencies (UNFDAC, WHO, FAO) have been active in Pakistan since 1976, primarily in small narcotics-related health programs and in a crop substitution program in the Swat District of the NWFP. UNFDAC completed a five-year development project in 1981 (renewed for an additional five years) in the Buner subdivision; primary emphasis has been placed on water resources development and crop substitution with a treatment and rehabilitation center for the local addict population. Funding for these activities will come from earmarked contributions from Sweden, the Federal Republic of Germany, and the United States. Germany is also contributing to narcotics control in Pakistan by funding a national study of in-country drug abuse.

Prospects for the future.—During separate visits to the United States, President Zia and NWFP Governor Haq restated Pakistan's commitment to its opium poppy ban. Our basic objective is to cooperate with the Government of Pakistan in its suppression of opium production, processing and trafficking in heroin to the fullest extent possible. However, traditional values and customs, market forces, bureaucratic disputes, provincial and tribal autonomy, and the time needed to implement development programs make it unlikely that poppy cultivation in the NWFP can be eliminated in the near future. Pakistan's relations with its neighbors, its political stability and its economic progress will also affect the narcotics control effort.

SOUTHEAST ASIAN REGIONAL STRATEGY

Southeast Asia summary.—Southeast Asian heroin accounted for about 10 percent of the heroin entering the United States in 1981, according to the Drug Enforcement Administration. The Golden Triangle produced about 600 tons of opium in each of the 1981 and 1982 crop years, after two years of drought. The Department will continue to emphasize its crop control objective. However, for many reasons, our program includes interdiction and suppression of heroin laboratories as well as crop control. For example, we cannot operate a crop control program in Laos, and most poppy growing areas of Burma are outside of government control. We will continue enforcement assistance to help consolidate recent government, military and police actions which have driven the major Golden Triangle heroin "warlords" from areas in Thailand along the Burma border and disrupted several heroin trafficking organizations. A sustained effort against the drug supported warlords coupled with strict controls by area governments on chemicals used in heroin refining would advance the goal of disrupting and ultimately suppressing heroin production.

COUNTRY PROGRAMS

Thailand

Summary.—The Royal Thai Government has mounted sizable military operations since January 1982 against the Shan United Army, the principal trafficking group on the Thai/Burmese border and are continuing the pressure against it and other illicit drug trafficking groups with narcotics-targeted military companies permanently deployed in the area. These actions have disrupted trafficking and refining activities. The government has also been effective in reducing the availability of precursor chemicals used in converting opium to heroin, which contributed to reduced production of heroin and morphine base; however, these chemicals are increasingly available from other sources in the region. We will encourage tighter controls on precursor chemicals throughout the region. We will continue to support crop control-related development assistance projects in Thailand when there is a concurrent Thai commitment to crop control. The $680,000 in our budget will be available for ongoing and anticipated projects of this nature as well as to support the Thai crop assessment program. While the RTG has not enforced its opium poppy ban in areas which have received crop substitution assistance, the Thai Government has stated that it will produce a crop control strategy in early 1983. We have budgeted $2,720,000 for support of our projects in Thailand in fiscal year 1984.

Background.—In the past, Thai officials were relaxed about narcotics grown, refined, transported through, or shipped from their country since there was little perceived narcotics problem among ethnic Thai. Opium smoking (primarily limited to the Chinese in the cities and hill tribes in the countryside) was banned in the early 1960's. The extensive sales of heroin to

American military in Thailand did not arouse major official Thai concern. However, in the ten years since the withdrawal of U.S. forces, the serious local drug abuse problem has spread to other elements of Thai society and there is major concern about the growing heroin addiction problem.

Although internal security, refugees, relations with Cambodia, Laos, and Vietnam, and the economy are of more immediate concern to the Thai Government and public, the RTG does devote considerable amounts of funding and manpower to antinarcotics efforts.

Efforts at drug control to date.—The United States has provided both equipment and training to Thai law enforcement entities. Narcotics control assistance since fiscal year 1972 has amounted to some $23 million. Customs and DEA training in methods of narcotics interdiction, investigation techniques and teaching methodology is geared toward assisting the Thai enforcement agencies to become self-sufficient in narcotic law enforcement.

The Thai Government decided in early 1982 to establish on a continuous basis its efforts to suppress heroin trafficking groups based in Thailand and operating along the Thai/Burma border. We responded to a Royal Thai Army request for material and operational support which would permit sustained suppression of trafficking groups by Thai units. This force is deployed in the most contested area of the Thai/Burma border.

There has been a recent decline in the availability of precursor chemicals such as acetic anhydride used to refine opium into heroin, as a result of Thai enforcement of a "chemical free zone" in northern Thailand. The amount of acetic anhydride reaching the northwest border refineries by traditional routes has dropped significantly, while prices have increased, and some refining activities have apparently moved to both sides of the Thai/Malaysia border.

Crop substitution eradication.—Thai crop substitution efforts have been carried out for over 15 years, originating with the "King's Project," in Chiang Mai Province. Eight years ago, the United Nations Fund for Drug Abuse Control (UNFDAC) became involved in the programs; we support the UNFDAC effort.

For many opium farmers in the hill tribes of northern Thailand, opium has been the primary cash crop. Rice production in many areas is insufficient to meet subsistence requirements. While there has been some limited success with such new crops as potatoes, beans and coffee, new crops have not "caught on" sufficiently either in interest or market value to be a disincentive to poppy cultivation. Although the programs have been successful in introducing new crops to limited numbers of farmers, they have, thus far, had very limited success in reducing the numbers of acres planted with opium poppies, since the Thai Government has yet to take effective action in enforcement of its opium growing ban. Without adequate enforcement, opium will continue to be grown by the hill tribes because it is a remunerative cash crop.

A recent development has been the voluntary surrender of opium stockpiles and a pledge by a few hill tribe villages to abandon cultivation in return for transitional assistance. We have undertaken to support Thai civil-military authorities in two such cases, and are seeking a firm commitment on a third.

Demand reduction.—Demand reduction programs in Thailand include prevention, treatment, and rehabilitation. The Thai Government actively supports demand reduction, as demonstrated by a relatively high level of cooperation and coordination between the Bangkok Metropolitan Health Department, the INCB and the Ministry of Health. The overall project goal is to reduce the demand for narcotics in Thailand, prevent further spread of drug abuse to rural areas, and stimulate increased cooperation with law enforcement agencies through increased public and official awareness of the social impact of addiction.

The U.S. program provides training, technical assistance, and a modest amount of equipment for treatment and prevention. This project, which emphasizes increasing Thai awareness of its drug abuse problems and preventive education by the schools and media, continues through fiscal year 1984.

Other government agencies.—The U.S. Department of Agriculture has been funding crop substitution, research and extension activities in Thailand since 1973. The objective is to identify viable alternative agricultural cropping systems to replace

income from opium poppy production. The U.S. Information Agency supports U.S. narcotics control objectives through a modest information program on prevention, and by dissemination of policy and program information.

International organizations.—As noted, the United Nations Fund for Drug Abuse Control (UNFDAC) has an active pilot crop substitution program which has received logistical and agricultural resource support from the USDA and State Department narcotics program in Thailand. The UN contribution is $2.4 million for five years matched by $1,235,800 in Thai funds. UNFDAC recently evaluated this project and extended it for two years. UNFDAC is implementing several programs for treatment, rehabilitation, prevention and research, projected at almost $2 million with $9 million matching Thai funding over a four-year period. This program would build upon U.S. programs in demand reduction. Efforts by other countries are noted in a later discussion of other bilateral and multilateral efforts.

Prospects for the future.—Recent military/police actions against the SUA represent a major breakthrough, demonstrating a Thai commitment to suppress the heroin trafficking organizations on the Thai/Burma border. We are assured of continued, expanded suppression efforts. While we applaud the Government's military actions against the SUA, and look forward to the opium control strategy promised for early 1983, we are disappointed that the Thais have thus far failed to control the opium poppy, even in areas which have benefitted from the United Nations crop substitution program.

Burma

Summary.—Burma is the primary opium growing area in Southeast Asia. Our program of assistance is important to the Burmese; the dangers both of domestic narcotics abuse and international narcotics traffic are well understood by the highest officials of the Socialist Republic of the Union of Burma.

Burma is committed to eliminating domestic drug abuse, reducing opium production and destroying organizations which grow and traffic in narcotics. The Burmese have developed programs involving military and para-military operations in narcotics source areas against narcotics caravans and refugees, as well as route interdiction, law enforcement, treatment, rehabilitation, crop substitution and destruction, education, and propaganda programs.

Background.—For the Burmese, illicit narcotics pose a combination of social, political and security problems—all interrelated.

The social problem of narcotics in Burma is both historical and modern. Opium usage and addiction in Burma are not recent phenomena. The hill tribe growers of the area historically have consumed the opium for medicinal purposes as well as for general addiction. In 1942, when the British evacuated Burma in the face of the advancing Japanese Army, there were 50,000 registered opium addicts.

The increasing world focus on Burma's role in international trafficking has led to concern by the government over its international image. In 1974 Burma passed a strict Narcotics and Dangerous Drug Law. Since then, anti-drug efforts have been given a high priority.

Burma's narcotics problem is intertwined with the insurgency problem. Since independence in 1948, the Rangoon Government has been plagued by rebellious groups seeking national power (such as the Burmese Communist Party) and by ethnic minorities seeking autonomy for their regions (the Shan, Kachin, and Lahu insurgency groups, to name a few). To these groups have been added several powerful armed bands of narcotic traffickers, usually ethnic Chinese, at least in leadership. As previously noted, these groups are heavily dependent upon the opium trade for their income, arms purchases and other activities.

A significant reduction in opium production and trading would affect some areas of Burma more than others. The economy in the Eastern Shan State appears to be heavily dependent upon opium revenues. For some hill tribes, opium has been an acceptable and valued cash crop. The recent prohibition against opium growing and the subsequent Burmese eradication programs have taken income from growers, but it was found that growers were rarely dependent upon opium for their survival.

Efforts at drug control to date.—The United States has provided some $47 million to

support Burmese anti-narcotics efforts over the last ten years.

American-Burmese cooperation against illicit narcotics began with a June 1974 bilateral agreement,[3] effected by an exchange of notes between the American Ambassador and the head of the Burmese People's Police. Under the terms of this agreement, and subsequent amendments, and the current project agreement, the United States provides Burma with helicopters, fixed-wing aircraft, communications equipment and associated training and equipment-maintenance support. The bulk of our current budget is dedicated to aircraft maintenance contracts for previously supplied equipment. To assist the Burmese Government in developing replacement income for former opium growers, the United States has provided limited assistance in development of alternative agriculture and livestock projects.

Burmese programs.—Narcotics in Burma is a multifaceted problem and the country has developed an integrated strategy for dealing with it. The Burmese Central Committee for Drug Abuse Control (CCDAC), chaired by the Minister of Home and Religious Affairs, consists of eight deputy ministers from other concerned government ministeries. Responsibilities of the CCDAC are nationwide and include all aspects of the government effort, including enforcement, crop/income substitution, and treatment and rehabilitation:

(1) Enforcement—A basic part of the Burmese enforcement strategy focuses upon interdicting narcotics caravans and destroying refineries and base camps operated by trafficking groups. Burmese police and military personnel have been active both in major operations against the BCP narcotics activities and the poppy eradication programs.

(2) Crop Substitution/Eradication—The Burmese Government estimates that it eradicated more than 10,000 acres of opium poppy in the 1981–1982 season that could have produced as much as 40,000 to 45,000 kilograms of opium. While this represents about eight percent of the total acreage under poppy cultivation in Burma, it almost doubled the previous year's destruction.

A Burmese crop substitution program supported by UNFDAC is making progress in distributing coffee and tea plants, seeds for spices and medicinal herbs, and improved livestock to farmers in areas in which opium was formerly grown. CCDAC is establishing a multisectoral livestock, horticultural, and demonstration center at Pekhon in the Southern Shan State. The purpose of this center will be to provide training and to demonstrate viable crop substitution and livestock production. The INM program has provided equipment and training to support pilot programs for crop substitution. However, the full impact of these programs on opium production must await more hospitable conditions in poppy producing areas.

(3) Treatment, Rehabilitation, Training, and Information—The Burmese Ministries of Health and Social Welfare have responsibility for addict treatment and rehabilitation programs, respectively. Treatment centers have been established in each of the major urban centers with addict population problems. Larger hospitals have treatment wards; district and township hospitals have a basic capability for treating addiction. Rehabilitation centers have been established in Kengtung, Namla, Rangoon, Mandalay, and Lashio. Treatment and rehabilitation centers have been improved and expanded by UNFDAC.

The government conducts a continuous program of narcotics information through the government-controlled news media, in schools, posters, and public and party indoctrination sessions.

Other programs.—UNFDAC has several programs in Burma. Between 1976 and early 1981, UNFDAC assisted Burma by financing a large multisectional drug abuse control program involving activities in law enforcement, crop and income substitution, education, health, and vocational rehabilitation at a total cost of $5,571,000 over the five-year period. Phase II of this program was agreed upon in June 1981 for five years at a cost of $5,042,000. Development aid funds for this program have been provided by the Government of Norway.

Prospects for the future.—The United States has assisted and cooperated with the Burmese by providing some needed enforcement equipment (i.e., the purchase of and maintenance funding for telecom-

[3] For text of the June 1974 bilateral agreement, see 25 UST 1518.

munications equipment, a small fleet of helicopters and fixed-wing aircraft) and support for Burmese pilot programs for crop substitution in opium growing areas. In addition, the United States has provided training for Burmese officials with responsibilities for customs and narcotics enforcement.

Our programs have helped sharpen the Burmese focus on their narcotics problems and our material assistance and training have given them the tools for the job. Politically, our narcotics cooperation has fostered a unique bilateral relationship (for neutralist/isolationist Burma) in which our assistance relates to a sensitive Burmese domestic issue. U.S. assistance supports the narcotics control objective which is consistent with Burma's objective of securing its territory. By any measure, the number of acres of opium crop destroyed and amount of opiates seized is significant. In addition, the continuing Burmese efforts in fields not directly supported by U.S. assistance are a measure of their commitment to the overall goals of narcotics control.

Nevertheless, the narcotics program in Burma must be viewed as an integral part of the Golden Triangle narcotics phenomena. As long as Burmese warlords/insurgents/bandits know that they can enjoy even temporary safe haven in Thailand and Burma, the Thai and Burmese police/military actions and threats will be limited in their effectiveness. Greater Burmese/Thai cooperation and coordination is an essential long-term goal. In the last analysis, however, real progress in Burma will depend on greater Burmese authority in the poppy growing areas.

We will continue support for the Burmese Air Force's capability to airlift ground forces engaged in poppy eradication and interdiction operations and thereby contribute to Burma's goal of ultimate self-sufficiency in aviation maintenance. Our budget increase also provides for expanded training and for improved telecommunications. The Burmese Government reports increased crop destruction including areas where the Burmese Communist Party is involved in trafficking. We have budgeted $5,795,000 for support of Burmese projects.

DONOR COUNTRY INITIATIVE

It is relevant to the scope of this hearing to understand the efforts by the Department to internationalize support for narcotics control projects. The United States narcotics control strategy includes diplomatic initiatives to achieve greater participation by and program coordination with other governments. In recent months, INM, with explicit support from Secretary Shultz, has been conducting discussions with Governments in Canada, Europe and Japan, to seek greater international narcotic control efforts from them, both bilaterally and through international organizations. Through the United Nations or bilaterally, the Federal Republic of Germany is participating in control programs in Thailand, Pakistan and Turkey, the Norwegian Government is active in crop control in Burma and Australia is active in Thailand. Italy and Sweden are interested in supporting development programs to achieve coca control.

The Federal Republic of Germany has initiated a crop substitution project in northern Thailand with the orientation phase cost of almost $90,000 to be matched by an RTG contribution of almost $73,000.

An $80 million World Bank rural development project in Northern Thailand will include several opium growing areas, but has not yet been implemented.

Canada has provided $200,000 for narcotic-related projects in health and crop substitution and training. The United Kingdom has provided some commodities, a coffee expert, and $50,000 each year to Thai law enforcement. New Zealand, France and Japan provide funds for educational grants and other crop substitution programs. In recent discussions, we have encouraged the Japanese to provide assistance to advance narcotics control.

OTHER PROGRAMS

While this hearing is focused on narcotics control activities in Southwest and Southeast Asia, the Department of State also engages in narcotics control programs in Latin America, including opium eradication in Mexico, coca control programs in Peru, Bolivia and Colombia, and interdiction programs in South and Central America and the Caribbean. Our 1983–84 goals include reaching agreement with Colombia on a major marijuana eradication program while expanding coca control efforts, and reaching agreement with Bolivia on a major coca control program. Our proposed fiscal year 1984

budget of $53,030,000 includes a $13 million increase which responds to the coca and marijuana threat from South America, while expanding our efforts to reduce the influx of heroin from Southwest and Southeast Asia.

SUMMARY

We are pursuing the Administration strategy of increasing crop control and interdiction in the source countries by continuing our efforts to reduce the flow of heroin from Mexico, Southeast Asia while expanding efforts to curb cocaine and marijuana imports from Latin America.

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B. Australia

Document 461

Transcript of a White House Press Briefing, June 10, 1983 (Extracts) [1]

Australian Prime Minister Hawke's Upcoming Visit to the United States

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SENIOR ADMINISTRATION OFFICIAL. I have a short, prepared statement and then I'll be glad to take questions.

Prime Minister Robert Hawke of Australia is making an official working visit to Washington, June 11–15, at the invitation of the President. During his stay here he will see the President, the Vice President, and also Secretaries Shultz, Weinberger, and Regan. He will also meet with Chairman Volcker of the Federal Reserve Board, and with Chairman Feldstein of the Council of Economic Advisers.

We are extremely pleased that Prime Minister Hawke has been able to make this trip. It provides an opportunity for us to meet him, and for the President and Prime Minister to establish a personal relationship.

Prime Minister Hawke has a longstanding relationship, a cordial one, with Secretary Shultz, and this visit gives them a chance to renew that relationship.

The relationship between our two countries is a solid one. It is based on a long tradition of friendship as well as many interests in common and a similar perception of world events. It also is based on alliance in peace and in war. And, I might note—it's not in my statement here—but, it's based, perhaps, most of all, on shared democratic values.

Australians and Americans fought side-by-side in the major conflicts of this century. It is, nevertheless, far too easy at times to take friends for granted. And that is an error that we do not intend to make. This visit thus provides another opportunity to affirm to the Australians that we value the role that they play in regional and international affairs, and that their counsel and support on major issues is important to us.

Fortunately there are no major bilateral problems between our two nations. We sometimes differ over approaches to common problems or objectives, but, as befits relations between close friends and longstanding allies, these questions are dealt with amicably and constructively.

During the Prime Minister's visit to Washington, we will be discussing a wide range of topics of common interest between Australian and U.S. officials. The talks will certainly touch on ANZUS, an alliance that is key to our security interests in Asia, in the Pacific, and in the Indian Ocean. Conversations will also cover the Middle East, East-West relations I'm sure will be discussed, as well as U.S. relations with China and Australian relations with China.

The subject of Indochina, and specifically the problem of Kampuchea, and the ASEAN approach to that problem will undoubtedly be a major subject of conversation. We also anticipate that arms control

[1] Source: Office of the Press Secretary to the President. Two senior administration officials conducted the briefing on background in the Briefing Room of the White House at 10:34 a.m.

and the Williamsburg summit will be discussed.

There will, of course, also be extensive discussion of economic matters and, I think, as is inevitable particularly in the present difficult economic circumstances that the world, as a whole, is facing.

With that, I'd be glad to take questions.

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Q. Excuse me if you've covered this. You know, there are various reports that this government in Australia would like a greater American involvement in the Pacific region and also greater Australian involvement or control or oversight over the American bases or posts, communications facilities in Australia. Do you have any comments on those two aspects?

SENIOR ADMINISTRATION OFFICIAL. We haven't had any specific proposals. I don't know if there might be some mention during these discussions.

Q. Do you think that, are we likely as a result of this meeting and ANZUS to become more involved in the Pacific, send more ships—whatever—troops?

SENIOR ADMINISTRATION OFFICIAL. I think that the basic U.S. posture in that region is a strong one and a very good one, and I think that we have, we and Australia, have a common interest in maintaining that, just as I think the joint facilities in Australia very clearly serve our common interests. I think both governments share an interest in maintaining that.

Q. What are the economic problems between us?

SENIOR ADMINISTRATION OFFICIAL. Partly—they're not simply problems between us. It's, in considerable measure, problems that we face together—problems of protectionism. We're both badly hurt by some of the protectionist agricultural policies of other countries. I think we both stand to lose very badly if protectionist sentiments around the world, including in the United States, get out of control. We are both very much affected by the way that the present world recession has impacted on the growth prospects of developing countries. And in the case of countries in Southeast Asia, that can—if it ends up affecting their internal stability, that can directly affect Australia's interests as well as our own.

So, to a considerable measure, what we would be talking about is a common problem, that is, a world problem in talking about ways of working together to address that as we did, for example, at the GATT ministerial in December. [2]

There are problems between us, as well. I'm not trying to slide over that fact. I mean, I think the Australians will no doubt object to some of our own measures such as beef quotas and no doubt object to some of the ways that we have been trying to combat the agricultural protectionism of other countries by providing blended credits for our own agricultural exports. And that, in some cases, has hurt Australian markets.

Q. How big is Australia's balance of trade problem? Do they have a large balance of trade problem?

SENIOR ADMINISTRATION OFFICIAL. I'm sorry. I don't have the specific statistics. Do you have it?

SENIOR ADMINISTRATION OFFICIAL. The balance is in our favor if you're referring to the United States.

Q. Yes.

SENIOR ADMINISTRATION OFFICIAL. And I couldn't give you specific figures. It's in the order of several billion dollars though.

Q. But is there a balance of trade problem that the Australians have right now? I mean, worldwide is that one of their economic concerns?

SENIOR ADMINISTRATION OFFICIAL. They have one at the moment because of a drought and the drop off in wheat sales and so on. Yes.

SENIOR ADMINISTRATION OFFICIAL. And, obviously, they had a major devaluation recently, I guess in the first 2 weeks of the new government, and that was a response to the general imbalance in their trade.

Q. —what your position is on the suggestion from some sections of the Labor Party that to answer some of the queries about the U.S. bases and perhaps some

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[2] Reference is to the GATT ministerial meeting held in Geneva from November 24 to 29, 1982.

concern that the Australian Government isn't totally aware of the information passing through the U.S. bases in Australia, that the Australian Government—station someone at the Pentagon so they can monitor the information going through these bases. What's your reaction to that?

SENIOR ADMINISTRATION OFFICIAL. I think we'd want to hear the specific proposals from the Australian Government before deciding our position or what we would say in public comment about it. I think that, as I said earlier, I think one of the things that has emerged clearly in discussions we've had with Australian Government officials since the new government has come in, when it's been possible, to brief them in great detail about how these facilities, and they're joint facilities, work. I think they have come to share our appreciation that the facilities are, indeed, joint ones and do indeed jointly serve our common interests.

I think within that framework any specific problems can almost surely be worked out.

Q. The Australian Government and the New Zealand Government are involved in a dispute with the French over nuclear testing in the South Pacific. The Australian Government, as I understand it, is proposing some sort of nuclear freeze zone in the South Pacific. What attitude would the U.S. Government take to that—

SENIOR ADMINISTRATION OFFICIAL. There has been some general talk about, by the Australian Government, about the outlines of what they might propose in the way of a nuclear freeze zone. But they haven't formally given us any specific details. And until we saw the specific details, it would be very hard for us to take a position.

Q. —likely to see that in this visit?

SENIOR ADMINISTRATION OFFICIAL. It's a possibility.

Q. Have we ever supported it, except, in I guess Latin America?

SENIOR ADMINISTRATION OFFICIAL. We are parties to the Treaty of Tlatelolco which is—provides a nuclear freeze zone in Latin America. We've made it clear on a number of occasions that there are certain conditions that would absolutely have to be satisfied for us to participate in any such scheme.

Q. That's where we do our testing, isn't it?

SENIOR ADMINISTRATION OFFICIAL. Pardon?

Q. We do a lot of our own testing there, don't we?

SENIOR ADMINISTRATION OFFICIAL. No, we do not. We do not do any testing or dumping of waste in the Pacific.

Q. You did.

SENIOR ADMINISTRATION OFFICIAL. A long time ago. We stopped a long time ago. In fact, we're party to a treaty that prohibits atmospheric testing and our underground testing is done in U.S. territory. So, that's not a—specifically a problem for us. The things that—

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Q. On the conditions those would continue to include port visits, wouldn't they?

SENIOR ADMINISTRATION OFFICIAL. That's one of the most important conditions on any such scheme, is that it not interfere with the free transit of naval vessels.

Q. Is the United States putting any pressure on France to stop these tests?

SENIOR ADMINISTRATION OFFICIAL. I won't discuss what we say to the French on this subject through diplomatic channels.

Q. I tried. (Laughter)

Q. Has there been any protest there on this nuclear freeze in Australia?

SENIOR ADMINISTRATION OFFICIAL. I think the focus in Australia has primarily been on the subject of the South Pacific and the issue such as French testing in nuclear freeze in Australia. I think there is a growing concern in Australia, as there seems to be around the world, about the problem of nuclear weapons. And I think there's a very strong interest in the whole question of East-West relations and specifically arms control. And I think—I'm quite certain that the subject of our approach to arms control negotiations would be something the President would want to explain in considerable detail to the Prime Minister, and I think the Australians, judg-

ing from talks I had when I was there, are very interested in how we're going about it and what we hope to gain from it.

THE PRESS. Thank you.

Document 462

Statements by President Reagan and Australian Prime Minister Hawke, June 13, 1983 [3]

"Our Ties Are a Precious Tradition, Reflecting Our Many Concerns and Shared Values"

THE PRESIDENT. I'm delighted that Prime Minister Bob Hawke has been able to come to Washington so early in his administration.

We've had a productive session, reviewing bilateral issues as well as world developments. And, more importantly, we've had a chance to put our relationship on a personal basis. We find we have much in common; but that's no surprise between friends and allies.

The bonds between our two nations are of long standing. Our ties are a precious tradition, reflecting our many concerns and shared values.

Australia's a great nation that plays a vital role in regional and world affairs. It's a key ally upon whom we can count. Ours is an alliance of trust and friendship. I'm grateful for the good will expressed by Prime Minister Hawke today and I welcome his wise counsel. I've been looking forward to getting to know him. And it was our first meeting; but, certainly, not our last. We will be in frequent contact in the future. And I wish the Prime Minister and all Australians the best of luck. And, again, welcome.

PRIME MINISTER HAWKE. Thank you. Mr. President, I join with you in expressing the appreciation that I have for having placed the relationship between our two countries now in terms of a personal meeting between us.

I, like you, have been looking forward to this meeting. I have been able to convey to you, and through you to the people of the United States, the fundamental importance that we in the new Labor government attach to the relationship with the United States.

I was able to remind the President that it was a Labor government during the last war which fundamentally re-oriented the international relationship of Australia toward that alliance with the United States.

It was an alliance which served us well, the United States and Australia, during that war. And in the period since the war, that relationship, in general, and particularly in terms of the ANZUS Treaty relationship, has continued to serve both our countries well.

There is no country, I have suggested to the President, that this country will be able to rely on more as a constructive ally than Australia. It will be a relationship of deep friendship and, as is befitting between people and nations who are friends, it will be one, at times, where there may be differences of emphasis in our perceptions of particular issues. Those differences, if they exist, will be honestly and directly expressed, but will in no way diminish the fundamental depth of the relationship between our two countries.

I appreciate the opportunity that I have had to discuss with the President matters of immediate bilateral importance to us, matters of concern in the immediate region of Australia and issues of global consideration. And we have found, in all those areas, an identity of interest. And I have expressed to the President, as he has to me, our firm intention on both our parts to ensure that the relationship, which has been strong and productive in the past, will continue to be even more so in the future. And that will reflect the relations between our countries and what is now a firm, personal relationship between the President of the United States and myself as Prime Minister of Australia. Thank you, Mr. President.

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[3] Source: White House Press Release, June 13, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, June 20, 1983, pp. 865–866. The remarks were made by President Reagan and Prime Minister Hawke upon the departure of the Prime Minister at 1:23 p.m. at the Diplomatic Entrance of the White House.

C. Burma

Document 463

Prepared Statement by the Assistant Secretary of State for East Asian and Pacific Affairs (Wolfowitz) Before a Subcommittee of the House Foreign Affairs Committee, February 23, 1983 (Extract) [1]

U.S. Interests in Burma

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While we do not expect a change in Burma's basic commitment to nonalignment, it is in our interest to encourage its continued, quiet opening to the West. Although it is currently one of the world's poorest countries in per capita income, it has significant mineral and agricultural resources which, if properly developed, could insure internal prosperity and contribute to economic prosperity in the region as a whole. A small investment now could therefore yield significant dividends later.

US AID and IMET programs resumed in FY 1980 after a 16 year hiatus and have grown rapidly although they remain relatively small. Together with our anti-narcotics assistance to Burma, these programs have promoted a warming of our bilateral relations at the same time that Burma has been spurning approaches by the Soviet Union. They have also supported our broader interests, including narcotics cooperation, and have responded to specific Burmese requests.

The $12.5 million in Development Assistance proposed for FY 84 represents a $1.3 million decrease from FY 83, which has been necessitated by current budgetary constraints. While this figure is sufficient to maintain existing agricultural development and public health projects, the planned expansion of our AID program will require slightly higher funding levels in subsequent years. The modest increases contemplated will maintain the momentum of our program, assist Burmese development efforts in a number of promising new areas, and demonstrate to the Burmese our continued concern and commitment.

The proposed 25 percent increase in IMET funding in FY 84 to $250,000, will enable about 45 Burmese officers to receive US military training, compared to 35 officers in FY 83. These officers will gain exposure to US concepts and systems by attending courses in the U.S. Army Command and General Staff College program, helicopter maintenance, field artillery, and other subjects. Given the key role of the military in Burma's political structure, IMET training will have a favorable long-term impact on Burmese attitudes toward the US far out of proportion to its modest cost.

We will continue to assist Burmese anti-narcotics efforts, primarily through maintenance support for aircraft which we have supplied for use in anti-narcotics operations. Both we and the Burmese attach high priority to curbing narcotics production and trafficking in Burma, and maintain an active dialogue regarding ways in which we might cooperate more closely to achieve this objective.

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[1] Source: *Foreign Assistance Legislation for Fiscal Years 1984–85: Hearings and Markup Before the Subcommittee on Asian and Pacific Affairs of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), Part 5, pp. 45–47.

D. China

Document 464

Toast by the Secretary of State (Shultz), Beijing, February 2, 1983 [1]

Renewal of U.S.–China Dialog

Foreign Minister Wu, distinguished guests, thank you for your kind remarks.

[1] Source: Department of State Press Release 35, February 4, 1983; printed also in Depart-

Continued

On behalf of all the members of my party, permit me to express my appreciation for the warm welcome and the gracious hospitality you have lavished upon us. After a long period of anticipation and preparation, it is a great pleasure to be your guests in this magnificent city and to feel we are among friends.

Our two great nations are both known around the world for the enormous wealth of human and material resources that lie within our borders, for what we have been able to do with our own resources and our own efforts, and for our strong belief in national independence. But it is also a fact that in this modern world even the strongest and most independent nations cannot live in isolation. I am struck by the statement of General Secretary Hu Yaobang in his recent report to your 12th Party Congress [2] that "China's future is closely bound up with that of the world as a whole." "Being internationalists," he said, "we are deeply aware that China's interests cannot be fully realized in separation from the overall interests of mankind."

Mr. Minister, President Reagan shares these views and so do I. Over and over again during the course of my duties as Secretary of State, I am daily reminded that the fates of all nations—rich and poor, large and small—are closely linked. The actions we take often have repercussions for others. And the behavior of others wherever on earth, wise or foolish, peaceful or aggressive, cannot but have consequences and implications for us all.

The United States and China are major actors in this complex and interrelated world. Together your government and ours, sharing many parallel interests, have great potential for influencing positively the course of world events. Indeed it is our mutual responsibility to do all that is in our power to promote peace and progress.

Over a decade ago, recognizing this interdependence to which I have referred, our governments set out to build a strong and lasting friendship between our peoples. I am proud to say that I was a member of the President's Cabinet at the time of this historic development. Since then, farsighted and courageous leaders in both our nations have steadily broadened and deepened the relationship. We continue to appreciate and to be guided by that spirit. Our discussions in the next several days will reflect past accomplishments, current realities and hopes for the future.

Before I left Washington, President Reagan asked me to reiterate his strong personal commitment to the advancement of U.S.–China relations, in the interest of both our peoples and for the benefit of all mankind. He believes there is a great need for renewal in the U.S.–China dialog—a need for discussion and enhanced mutual understanding on a host of international and bilateral matters. There is much to be done to advance the U.S.–China relationship and to promote peaceful progress everywhere.

Mr. Minister, as we assemble to contemplate the road ahead, we are acutely aware of the challenges to world peace and prosperity that lie outside our frontiers:

—The troubled international economy has thrown new obstacles in the way of the efforts of all countries to achieve a more hopeful future, but I am glad to report that the economy of the United States is now expanding once again, a development that will help the world economy to recover;

—The dangers of nuclear war and nuclear proliferation concern people everywhere and must be among the foremost concerns of their leaders;

—From Kampuchea and Afghanistan to Africa and the Middle East, there are major threats to peace and the just aspirations of mankind that cannot be ignored.

Mr. Minister, the dialog that we advance here in Beijing this week on these and other issues is testimony to the importance of a strong and lasting U.S.–China relationship in confronting the economic and strategic challenges that threaten the well being of all. But our dialogue is testimony to bright hopes, as well as challenges. In recent years, thousands of students from your country have studied and are studying at American universities. Our young people, tourists, academics, and businessmen are studying, traveling, and investing in China in ever-increasing num-

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ment of State *Bulletin*, March 1983, pp. 50–51. Secretary Shultz visited Beijing, February 2–6, on a trip that took him also to Tokyo, Seoul, and Hong Kong.

[2] For text of Hu's report to the 12th Party Congress on September 1, 1982, see Foreign Broadcast Information Service, *Daily Report: China*, September 8, 1982, pp. K1–K30.

bers. We are pleased to have a role in the ambitious course of economic modernization on which you have embarked. The intelligence, skills and dynamism of both our peoples, which have already given so much to the world, offer us infinite possibilities to learn and benefit from each other.

The challenges and opportunities are great. The agenda is full. I look forward, Mr. Minister, to my talks with you and other Chinese leaders in the days ahead. As long as both sides approach these talks in the serious, constructive, responsible manner which the international situation merits and which our predecessors have always brought to the table, our discussions will succeed.

In this spirit, I should like to propose a toast:

—To your health, Mr. Minister;

—To the health of the Chinese leadership and all those present here tonight;

—And to the friendship and cooperation between the peoples and governments of our two countries;

—Gan bei.

Document 465

Statement and Remarks by the Secretary of State (Shultz) to the American Business Community, Beijing, February 3, 1983 [3]

"We Must Expect a Certain Amount of Growing Pain"

SECRETARY SHULTZ. Thank you. I welcome and appreciate your introduction and may not necessarily associate myself with everything you said. I am pleased to have a chance to meet with the American business people here and I always felt as a businessman that my activities were a good representative of my country and wanted them to be conducted that way and I am sure you feel the same.

I am pleased to see my friend Mike Birely with whom I worked back in the good old days when I was a private businessman in this part of the world. And I'm also glad to meet some new friends here.

I understand that I am a pioneer in the sense of being the first Secretary of State to address this unofficial American community in Beijing since normalization. But as I was suggesting you're the true pioneers and it is so heartening for a traveling American to see in action this pioneering spirit for which we as a people are justly famous. Perhaps it is our passion for building, our eagerness to create that is good and useful. This is a saga of American development and it is also the spirit that finds you in this fascinating part of the world.

I might just say back in early 1970 I came first to Asia, to Japan, then to other parts of Asia at the instruction of then President Nixon and he told me before I started that trip that I should get out and understand Asia, that if you don't understand Asia, you will not understand the future and I do believe that a great deal of the future of the world is here.

At any rate, it is your work as much as anyone's that is planting the seeds and feeding the roots of a vital international relationship. It offers so much potential benefits to America, to China, to the region and to the world. You are here on the ground floor developing U.S.–China relations. You are also here at an exciting stage of China's own internal development, as China's present leaders chart a course of modernization trying to carry the Chinese people into a more advanced technologically oriented future. We have much experience to share with the Chinese, a great deal to contribute to their modernization efforts.

I want to tell you today that we fully understand, we fully unhesitatingly support the Chinese in their ambitious modernization goals. A stable, secure, economically healthy China, participating actively and constructively in the mainstream of the international economic system is in the best interests of the United States, the East Asian region and of world peace.

We have done much in this administration to give substance to our good intentions. President Reagan has issued a directive substantially increasing the level of technology to be routinely approved for

[3] Source: Department of State Press Release 38, February 8, 1983; printed also in Department of State *Bulletin*, March 1983, pp. 51–53.

sale to China, reflecting our intent to treat China as a friendly, nonallied state.[4] The President has suspended the prohibition on arms sales to China embodied in our arms control legislation, permitting consideration on a case-by-case basis.[5] A request to export munitions list articles to China is the procedure we follow with all friendly countries.

The President has launched a process with the Congress to amend those laws that treat China in the same manner as the Soviet Union and its satellites, to make clear that we do not consider China as an adversary and will remove legal impediments to this cooperation.

As with any young relationship we must expect a certain amount of growing pain. It is easy to pinpoint trouble spots. We referred to it here. Trade is among them. We have heard much in recent weeks of difficult textile negotiations, breakdowns in the negotiating process, of unilateral quota restrictions and retaliatory measures and so on.[6] Let me not dismiss their importance out of hand. But let us neither get so bogged down in bilateral arguments so as not to see and understand how far we have come in so brief a period of time.

China is now the 14th largest trading partner of the United States. Also the fourth largest market for American agricultural products. The very success of the economic and trade relationship brings with it difficult issues and problems, but we welcome these problems because they attest to the growing complexity of our relations and interactions. We will resolve them, fairly and equitably for both sides. We have already set in place institutions to deal with these increasingly complex economic relations. In December, Finance Minister Wang Bingqian led a Chinese delegation to the third annual U.S.–China Joint Economic Committee, which was set up at the time of Chairman Deng Xiaoping's visit to the United States in 1979, to discuss economic issues of mutual interest to China and the United States. Secretary Regan led the U.S. delegation in a series of meetings that were positive, constructive and frank. I might say beyond that that the Chinese Finance Minister (inaudible) around town very well and made a very strong and positive impression on everyone.

Working groups were devoted to such areas as investment, and finance, trade and tax issues. We raised with the Chinese such problems of import to you as the need to identify potential projects with (inaudible) to complete the legislative framework needed to protect investor rights and promote investor confidence, the need for a patent law, the need for better working conditions for U.S. businesses in China, and mechanisms for dispute resolutions, and the need to streamline the approval process for investment in China. All bureaucracies need to be streamlined. It's a constant of life worldwide, let me tell you. We will continue to give high priority to these issues of the American business community.

Secretary of Commerce Baldrige will be leading the American delegation to the first session of the Joint Commission on Commerce and Trade to be held here in Beijing in May. We expect to be able to announce other official delegations moving in both directions during the course of the present year. I need not tell you that we have steered through some rough stretches during the past year in U.S.–China relations. I think both sides have navigated successfully and are out in the clear again.

My presence here in Beijing today is a good indication that both sides recognize the potential benefits of good relations and are committed to advancing them. I am very pleased with the manner in which our talks with the Chinese are proceeding this week. They are serious, constructive and wide-ranging. With goodwill, coopera-

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[4] See document 472. The Department of Commerce announced changes in the administration's policy on the export of dual-use, high-technology products to China on July 8, 1981.

[5] An amendment of December 14, 1981, to the International Traffic in Arms Regulations deleted the People's Republic of China from the list of countries denied licenses and other approvals for U.S. Munitions List exports; for text, see *Federal Register*, December 14, 1981, p. 60820.

[6] Negotiations for the renewal of the already-expired U.S.-Chinese textile agreement, held in Beijing, January 6–13, concluded without agreement. On January 13, the Office of the Special Trade Representative announced that restrictions on imports of Chinese textiles would be implemented on January 15, retroactive to January 1. On January 19, Xinhua (the New China News Agency) carried an announcement that China would reduce its planned imports of U.S. agricultural products in 1983. (Foreign Broadcast Information Service, *Daily Report: China*, January 19, 1983, p. B1)

tion, and sense of purpose that both sides bring to the cause of advancing the relationship, there is much we can and will accomplish. You are fortunate to be here in the early stages, and at least in my judgment, the future does well for the U.S.–China relationship.

I will be glad to respond to your questions, although as I said to some of you before lunch, I don't intend to conduct my negotiations with the Chinese through you. There is a tendency on everyone's part to ask me questions that I think are more appropriately dealt with directly. So if I am not totally responsive always, you'll understand.

Q. What is the potential for resolution of the Taiwan issue?

SECRETARY SHULTZ. The communiqué [7] was signed with knowledge and good intent and it is the intention and the responsibility and the obligation of the U.S. Government to meet the commitments undertaken in that communiqué.

Q. What steps can be taken on behalf of the U.S. business community in China to persuade the Chinese to make equal opportunity for living and working space available to U.S. businessmen?

SECRETARY SHULTZ. Well, this is a problem, one that we address. It is true that arrangements for living in the United States and China are unidentical, so that we have to struggle. I might say that's a fact of life we have to struggle with. I might say on the question of trade, and mutual benefit, it is my understanding that trade never takes place unless there is mutual benefit. Why should it? Nobody will make a trade unless they are going to benefit by it. And the reason why trade is so munificent in its benefits to the world at large, is because it's not a zero sum game, it's always a plus sum game. Everybody benefits from trade by definition. I assume that you are here as representatives of American businesses because you think you will benefit from this trade. And if you didn't think so, you wouldn't be here.

Q. Can we expect a more liberal export control system to be introduced to alleviate this particular barrier?

SECRETARY SHULTZ. This is a difficult subject—as between the United States and all of her trading partners because we do have export controls and in the administration of them here are sometimes difficult issues of interpretation and that tends to prolong consideration of certain given items. On the other hand, my review of this subject shows me that the number of applications for export licenses have grown at a very rapid rate over the last 4 years and that the number of pending applications in a given year, have in the last 2 years been falling somewhat.

So, I recognize that the process of getting an application approved is always one that the people making the application find difficulty with but nevertheless the record is one of an increasing number of applications with a large number of approvals and of a falling rate of pending cases. That doesn't mean that there aren't problems. Sometimes the problems are created by you. That is, if it is known that here is a given piece of technology that can receive approval but that there are aspects of it that are unlikely to receive approval, we find occasionally that businesses will go ahead and (inaudible) now it falls outside the guidelines, even make a financial commitment and then come in and argue, "Gosh, we made this financial commitment, now you've got to approve it." Buddy that's your problem when you do that. Don't complain to the government. On the other hand, we do seek a fair, proper, and efficient system, within the constraints of what any properly operating bureaucratic arrangement can produce. Obviously, to consider a given application, there are many points of view and they have to have their chance to speak their piece. It isn't necessarily instantaneous. Whether or not work can be done in the field of advanced consultation, I don't know. It remains to be seen. It is always a somewhat touchy area for government, but that is a possible way that might space around some of the difficult areas. Although it may be better to leave things as they are so that basically you make an application and we act on the application after we've got it. That I think, in many ways, is a safer proposition and it may be helpful to be able to get some informal advice.

[7] Reference is to the joint communiqué issued by the U.S. and Chinese Governments on August 17, 1982; for text, see *American Foreign Policy: Current Documents, 1982*, p. 1038.

Q. Why is it that we cannot get a license out of the U.S. Government when the Japanese and West European competition can get an equivalent license in a relatively short time?

SECRETARY SHULTZ. Maybe they are just better. Why don't you move to Japan or Western Europe?

Q. What kinds of steps are being taken to ameliorate the Chinese reduction of U.S. grain and other agricultural commodities?

SECRETARY SHULTZ. Of course we stand ready to resume the textile negotiations but basically we have to represent the U.S. interests and the Chinese have to represent their interests as they see them. And we can discuss problems as we are doing, and those are the sorts of things that are being done.

Q. What can we expect in terms of negotiations or policy change to permit American companies to compete in the nuclear power generation field?

SECRETARY SHULTZ. The question carries the implication, as most of your questions do, that there is something wrong with the United States. Our regulations are based on a deep concern about the problems of proliferation of nuclear weapons technology. That is a legitimate problem. So we seek to convince others to also worry about the problem of nonproliferation. It may be that you will be able to work out some appropriate arrangement with the Chinese in this regard. After all, they are very knowledgeable about nuclear technology to begin with. So I would just leave it at that, at the same time noting to you that the problem of proliferation is a distinct problem and I think the question suggests in a rather cavalier fashion that you brush it off. I don't brush it off.

Q. Can we expect the U.S. Government to actively support exports of U.S. industrial products, and urge China to import a larger percentage of their capital goods from the United States to create a better balance?

SECRETARY SHULTZ. The attitude of your government toward subsidies for exports is unenthusiastic. Now having said that, I recognize that subsidies to exports is a characteristic of much trade and to a certain extent we have to say that if all the world is mad, 'tis folly to be sane. But nevertheless I say to your (inaudible) restraint on subsidizing exports. It is nothing more than a form of protection. You are protecting your export industries as distinct from what you normally think of as protection of an import industry. It is two sides of the same coin.

I believe that one of the most important and difficult problems we have in the world trading system is the tendency for the forces of protection to rise and become ascendant, and the demand for export subsidies that we see around the world and from American business and agricultural interests is part of that process. I understand that we have to compete and it is up to the Government of the United States to look realistically at what is taking place and to try to keep the situation such that the U.S. firms and businesses can be competitive on their merit. But I think that [if?] what happens is a kind of emergence of a gigantic export subsidy world, we all will be the losers.

That is the basis of my statement, that while we recognize the reality and, I think, we will see a greater amount of funding for the Export/Import Bank you will see in the President's budget (inaudible) and so that's there. The attitude is reluctant, frankly it is. For good and sufficient and general reasons that I believe in the long run are in the best interests of those businesses that are in the direct trading business, when you are in international trade. I suppose it must be so as well that our consumers, while they may get a short-term benefit from subsidized exports from elsewhere, in the long run will be the losers too if what we see is more and more protection, which means less and less trade. Because as I said earlier, trade has bountiful benefits because by definition it's mutual and advantageous.

Document 466

Transcript of a Press Conference by the Secretary of State (Shultz), February 6, 1983 (Extracts) [7]

Secretary Shultz's Discussions in Beijing

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Q. How are things going to go or how do you feel things will go now with China? Have we sorted out all the problems of the past few months? What is your own personal feeling about how the talks went and what the future holds?

SECRETARY SHULTZ. We have identified a lot of problems but also a lot of progress and accomplishment. There are a certain number of meetings that have been identified and potential further developments. And my own opinion is that if we can maintain the sort of spirit of the dialog of the last 4 days, then we will gradually make headway in resolving the individual issues. As I commented yesterday at the press conference, if you can get issues into the context of a generally good atmosphere, then you find ways to solve them. You take the same issue and put it into a less happy atmosphere, and it becomes very difficult to solve. So, I think the general tone of things can have some impact.

Q. (Inaudible) Are you telling the Chinese the United States has a commitment to live up to the spirit of, or in terms of, the joint communiqué, but also other commitments in the world such as the enduring commitment to Taiwan, and it remains a commitment and the United States keeps its commitments. Is that the general tone?

SECRETARY SHULTZ. I think it's very important that our country keep commitments that are made. In referring to the various communiqués that have dealt with the subject of Taiwan, I believe I'm correct in saying that every communiqué, every formal statement involving China (the People's Republic of China) and the United States have had a reference to Taiwan in one way or another. We do understand these commitments, we intend to live by these commitments. That was the statement that I made.

. . . . . .

Q. What can you tell us about your meetings with the Chinese? You have had a lot of negotiations and meetings with people over the years. What was it like? Did you find any surprises there? Could we have your general impressions of the meetings?

SECRETARY SHULTZ. First of all, the people are a serious people. Meetings were conducted in a very pleasant way but there was a minimum of the sort of pleasantries that go along with a meeting; and as soon as the photo opportunities were ended, they plunged right into substantive discussions, which I welcomed. I think the people were basically well prepared; they came to talk in a substantive manner. I did feel that on some issues their perception of what the facts are, differed sometimes rather substantially from what my sense of what the facts are on a given case. For example, on the proportion of our market occupied by Chinese textiles. (Inaudible) But I found them to be strong, tough, well-informed people. I want to call to your attention that not everything that we talked about was, so to speak, a negotiation. There was a big sort of informational content to their statements about their views on different parts of the world and situations of different countries, and also in our descriptions of what was taking place. So to some extent, it was information-sharing and analysis-sharing. It was interesting to me in talking with different Foreign Ministers and the people from different countries to get a sense of the degree to which the country has a world view of things as distinct from a preoccupation with what's going on in their own country and immediately around their own country. Certainly it is true that the Chinese have a world view, just as we do. They see things in places that are far removed from China as having an impact that is of some significance to them. They like to talk about Africa, the Middle East and so on, in that context, so that makes it interesting.

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[7] Source: Department of State Press Release 42, February 8, 1983; printed also in Department of State *Bulletin*, March 1983, pp. 57–59. The press conference took place en route to Seoul.

Q. Did you get the feeling that they were less concerned about the Soviet threat to themselves than they have been in the past years? Is that a reason why they're now willing to talk more normalization with the Russians?

SECRETARY SHULTZ. Again, I think that is the sort of question that you have to ask them about, how much concerned they are. They have made a number of comments, some publicly, during the course of the visit and I just refer you to them. It seems to me, as is true in every country in some way, some more than others, they want to see their country develop and great tensions all around their border are not helpful to them. So they seek to reduce those tensions and I think that's an objective that is understandable.

Q. Mr. Secretary, there has been considerable concern among some quarters in the United States regarding their shift in attitudes about the Russians and their place in the Third World. Could you tell us anything that would indicate how you came out of these talks and your own view of the significance for the United States of what the Chinese have done within the last year?

SECRETARY SHULTZ. I felt that their view of the Russians is very realistic. It remains to be seen precisely what the content of the Third World orientation will turn out to be. But the United States, say over the post-World War II decades, has been a champion of economic development of that world. So that has been our stance. Differences of view arise about what the right way to bring about economic development is, they are or may be important issues and they were probably aired more directly at Cancun. But I do think there is an increasing perception around the world that if you want development you need to rely on the enterprise of individual units, you need to give people some stake in what they are doing, that markets do help whether they are organized within a socialistic type of framework or a pure market economy. The market idea is very important. Certainly they use it in China as far as I can see. Also any country, fundamentally, has to rely on itself to provide the real motive power for development. Now that, of course, doesn't mean there isn't a role for aid from outside in technical terms and in straight, foreign investment terms, and in terms of concessional aid of various kinds, there is such a role. But getting the right perspective on these things can be a point of real discussion.

I found one of the most attractive aspects of discussing economic development with the Chinese to be their recognition of these facts and their determination to develop themselves and it was said to me a number of times with the size of China and with the number of people in China, it's quite clear that the basic thrust of the development of China has to come from within.

Q. (Inaudible)

SECRETARY SHULTZ. There have been, for example, some developments in the way agriculture is organized in China, as I understand it, that give family units a capacity to work to a degree for themselves and to benefit from a strong performance themselves, so that what you do is related to what you get out of it. So I think that is an example of the sort of look at the enterprise notion, and the ability to sell into a market is related to that. I don't want to be misunderstood. I'm not saying that the Chinese have promoted a market economy, but they use the market idea and I think if you look around in Socialist economics nowadays you find that there is a considerable amount of experimentation, and always has been for that matter, with the question of how you use the idea of a market, and can you within the framework of state ownership of main resources.

Q. I guess what I was trying to get at was that after hearing them explain their own ideas about their foreign policy especially, is their foreign policy now something the United States tolerates? Is it something we could live with quite comfortably? How is the United States going to relate to a China which has really taken a kind of new direction within this last year or so?

SECRETARY SHULTZ. The discussions that I had about their foreign policy lead me to believe that there are many areas of great importance where their interests and the way they see the problems are quite parallel to ours. Therefore it's quite worthwhile to be talking with them and I think that can be fruitful. So I came away with a rather good feeling about that. We also discussed a variety of areas where they may have different views and they are critical of the United States sometimes for what we do, sometimes for us not doing enough, or paying enough attention to

something. But I found that discussions with them to be informed discussions and substantive discussions and serious discussions, not a sort of debating point type discussion at all. So I found it to be quite worthwhile in relating that to the broader sense of the interaction of their foreign policy and ours to be basically encouraging.

Q. What are your impressions on how they feel about arms control?

SECRETARY SHULTZ. It did not play a prominent place in our discussions. They did not ask a lot of questions about it and, on the other hand, when we did discuss it, in a sense the outcome of that discussion was that we offered to have Admiral Howe give a briefing on what we were doing. They seemed to be glad to have that briefing and it was a lengthy and solid discussion and, as Admiral Howe pointed out, they seemed to be very well informed about what is going on, so they follow it.

Q. There were a couple of people from the North American desk at dinner last night between a few of us. On the subject of the SS-20's, one of them said there are a hundred or more there now and a few more don't make any difference to us. Is that a view that you picked up at a higher level (inaudible)?

SECRETARY SHULTZ. No, that kind of comment was not made to me.

Q. In the past, before the Reagan administration, almost every time we'd go to China there would be criticism the United States wasn't tough enough against the Russians or we weren't spending enough on military. In their press they now seemed to be critical of the United States for spending too much on the military. I just wondered in your discussions did you get a recent feeling that the Reagan administration's military program was appreciated.

SECRETARY SHULTZ. I felt that it was, and that they welcomed the strength and determination of the United States. I don't hear any criticism whatever along the lines that you suggested in your question.

Q. You got into the question of technology transfer; you talked about that quite a bit. What is it that they are interested in specifically? Did you get a feeling of priority what they want, what they are interested in?

SECRETARY SHULTZ. Well, the technology transfer issues have come up in a sense on two levels: One is with respect to some particular piece of equipment or area of knowledge for which an application has been made and about which there is discussion. And so that leads you into such discussion of criteria, and procedures, and speed of consideration, and so on. So that is what you might say is an operational level of discussing the subject. They also laid a lot of emphasis, and in many respects, the heaviest emphasis, on the intent and the atmosphere within which these operational questions were to be discussed. People made the point to me a number of times, on this particular equipment or that particular equipment, so much the way that you view us is more important than the way particular things are handled. It is the overall sense of atmosphere that is being displayed here. So you sort of go back and forth between these two levels. That was the nature of our discussions.

Q. (Inaudible)

SECRETARY SHULTZ. The whole subject is one that is a difficult one, inherently. You have always, particularly these days, a moving target, the sense that technology is changing constantly, particularly in the fields that are of the greatest interest. So you keep having to adapt your criteria and your judgment to this moving target. So I think it will remain a difficult issue but I do think there is a lot of room for clarification so that it can be put into a more satisfactory way. I am not directly answering your COCOM question. Obviously people can make decisions about things like that but that is an issue for the government to consider.

Q. Thank you, sir.

Document 467

Testimony by the Assistant Secretary of State for East Asian and Pacific Affairs (Wolfowitz) Before a Subcommittee of the House Foreign Affairs Committee, February 28, 1983 (Extract) [8]

U.S.–China Relations 11 Years After the Shanghai Communiqué

MR. WOLFOWITZ. . . .

I have submitted a slightly longer statement for the record in the interest of time. I will try to keep my opening remarks here to 10 minutes.

Mr. Chairman, developing a strong, stable, and enduring United States–China relationship is an important element of President Reagan's foreign policy. For compelling historical reasons, that goal has occupied a central place in the foreign policies of four successive administrations. We should not forget that, in the more than two decades preceding the Shanghai communiqué, [9] United States–China relations were deeply hostile.

China was a large and menacing power with which we maintained no human communications, cultural contact, or economic relations. We were at war in Korea. We nearly came to war over Quemoy and Matsu. And we supported opposite sides in Vietnam.

Indeed, China actively supported insurgencies on the soil of many of our Asian allies and friends. At great cost, we maintained a significant naval presence between Taiwan and the mainland, and at the same time we faced a growing threat from the Soviet Union.

By 1972, it had become clear to both the American and Chinese leadership that continuation of this hostile atmosphere was in neither country's interests. The result was a reconciliation of historic importance. Developments since then have demonstrated the importance of the productive and cooperative relationship that followed.

Let me mention just three instances that illustrate how far we have come and what has been achieved.

Perhaps nothing more dramatically illustrates the changes of the last 11 years than the fact that China is today a major restraint on Vietnamese aggression in Asia.

As another important indicator of change, our economic relations have grown substantially. Bilateral trade with China has risen from zero to more than $5 billion per year.

Perhaps most important of all for the long-term relationship between the United States and China, cultural relations and personal ties have resumed at many different levels. People-to-people contacts have virtually exploded. Nearly 10,000 Chinese students are studying at American universities, more than 100 Chinese delegations per month are visiting the United States, and over 100,000 Americans are visiting China each year. These exchanges bring to each of our societies an increasingly sophisticated appreciation of the other.

In my prepared statement, I mention many other benefits. These include that we no longer have to plan or spend to confront a Chinese threat; it includes agreement on the Soviet threat and parallel interests in containing the Soviet Union in Afghanistan and elsewhere; it includes a useful dialog on a wide range of important regional and international problems on which China has developed a more constructive regional and cooperative approach.

Despite problems, East Asia has emerged during this period as one of the more stable and prosperous regions of the world, with China playing an increasingly responsible regional role. Even Taiwan has never been more prosperous and the situation in the Taiwan Straits is peaceful.

These benefits are the fruits of a wide variety of agreements that have established the framework for an extensive rela-

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[8] Source: *United States–China Relations 11 Years After the Shanghai Communiqué: Hearings Before the Subcommittee on Asian and Pacific Affairs of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 3–6, 17–19. For Wolfowitz's prepared statement, omitted here, see *ibid.*, pp. 7–16.

[9] For text of the joint U.S.–People's Republic of China statement issued at Shanghai, February 27, 1972, see *Public Papers of the Presidents of the United States: Richard Nixon, 1972* (Washington, 1974), pp. 376–379.

tionship. Throughout the normalization process, we have consistently adhered to three fundamental principles and realities:

First, that China is already a significant factor in Asia, and is destined to be an important element in international affairs in the future, a power with which we hope to work constructively and cooperatively for mutual benefit.

Second, that the United States and China share certain common and important international perceptions and concerns, and that the development of United States–China relations serves the interests of both our peoples and the cause of peace and stability in East Asia and the world.

And third, that progress in United States–China relations can be made without sacrificing the interests of our friends and allies in the region or our valued commercial, cultural and other unofficial relations with the people of Taiwan.

Adhering to these fundamentals, in 1979 we negotiated a normalization agreement which established diplomatic relations between the United States and China [10] and under which it was understood that commercial, cultural, and other contacts with the people of Taiwan would from then on be conducted on an unofficial basis.

Reflecting the importance that they placed on good relations and their confidence in the relationship's evolution and progress, both sides chose to move ahead with normalization even though not all of our differences had been resolved.

Among the differences left unresolved by the normalization communiqué was the question of arms sales to Taiwan. In the August 17 joint communiqué of last year, we provided a framework for managing our differences with China over this highly sensitive matter. However, the lengthy and intense negotiating process placed a considerable strain on the relationship.

One result was a pause in high-level contacts and exchanges, a part of our relationship with China that is particularly important for clearing up misperceptions and for building the confidence on which progress in the relationship depends.

Thus, the Secretary's objectives in visiting Beijing early last month were to put United States–China relations back on a stable, realistic footing, to resume the process of building confidence and trust, to continue our dialog on important international issues, and to address openly and honestly the various bilateral issues that commanded attention on both sides.

In my prepared statement which I have submitted for the record I have described some of the results of that trip. Since I am sure we will discuss the trip in the period for questions that follows, let me just say here that Secretary Shultz and Foreign Minister Wu Xueqian succeeded in restoring the international dialog to its rightful place in the relationship. It was a dialog of high quality, providing that while China may not yet be among the world's wealthiest nations, it is among the more sophisticated, with a decidedly global approach.

Our delegation could not help but be impressed with the serious, constructive, and realistic approach that the Chinese leadership took in our discussions on a wide variety of key issues, including the continued threat posed by Soviet power and expansionism, restoring peace and independence to Afghanistan and Kampuchea, and even on issues where we disagreed in important respects, such as the question of progress toward peace in the Middle East, the question of Namibian independence and the desirability of the withdrawal of Cuban troops from Angola.

China and the United States will undoubtedly continue to have some differences over Taiwan. However, the relationship with China is important enough to us—and, it seems, also to the Chinese—that we will work hard to manage those differences in a way that preserves our focus on shared bilateral and international concerns.

The Secretary's visit was not intended to and did not attempt to renegotiate or go beyond the August 17 communiqué or earlier communiqués that previous administrations had negotiated with China concerning the Taiwan issue. But the Secretary did reassure the Chinese that, consistent with our intent to rebuild mutual trust and confidence, we will faithfully carry out the policies enunciated in those three

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[10] For text of the Joint Communiqué issued on December 15, 1978, which established diplomatic relations between the United States and the People's Republic of China as of January 1, 1979, see *American Foreign Policy: Basic Documents, 1977–1980*, pp. 967–968.

communiqués, and we are confident that the Chinese will do the same.

That is the key, I believe, to managing effectively our differences over Taiwan. At the same time, we have consistently made clear to China that we have a deep interest in the well-being of the people of Taiwan, as reflected in the Taiwan Relations Act, [11] and will continue the productive, unofficial relationship that we have with them.

The common interests and constructive attitude which we found in many aspects of the international sphere are even more markedly present on bilateral matters. I have cited earlier expansion of economic, cultural and personal relations that provide important advantages to both nations.

Naturally, such increased contacts will, on occasion, lead to increased frictions. It is inevitable, as relations mature and develop and as trade and exchanges advance and multiply, that the attendant bilateral problems grow more complex. This is especially the case for two countries which maintain fundamentally different systems.

The technology transfer issue is a good example of a problem that is born of progress. Since 1979, and particularly during this administration, we have worked hard to facilitate Chinese access to advanced American technology. Licenses issued have gone up roughly 300 percent in the last 3 years.

Secretary Shultz made clear to the Chinese that we intend to support their modernization efforts, and that we will continue to provide them with a broad range of American technology from agricultural know-how to advanced scientific information. Most of these items, in fact, are not subject to export controls. Some are.

We intend to administer those regulations in a manner that supports China's development and maintain only those restrictions that are necessary for national security purposes. Secretary Shultz encouraged the Chinese to consider the vast range of items made available in the past few years, to appreciate how far we have come in this area, and to work with us to streamline both their bureaucratic practices and our own in order to smooth the interaction between our two economies.

Looking back over the events of the last month, as well as the rapid progress of United States–China relations over the past 11 years, it is noteworthy that both sides, despite the peaks and valleys that have characterized episodes in the development of the relationship, continue to place a high value on it. Both sides wish to preserve what has been accomplished and to move forward where possible and where mutually beneficial.

As the Secretary noted to the Chinese, enduring relationships more often emerge from a process of working out arrangements for dealing with seemingly intractable disputes than from dealing only with the easy problems. Given the progress made thus far and the undeniable benefits to both sides, it is clear that there will be no turning back.

Some difficult problems lie ahead in United States–China relations. We intend to deal with them fairly and openly, and not to take the relationship for granted. With good will, with appreciation of the value of the relationship, with adherence to our own basic principles, and with Chinese reciprocity—for good relations are a two-way street—the prospects for further progress are encouraging. The stable and enduring relationship that we seek is important to the healthy economic growth that both countries desire and makes an important contribution to regional stability and to world peace.

Thank you.

MR. SOLARZ. Thank you very much, Mr. Secretary.

I do not think you have to be concerned that anything you have said in your testimony will unduly discomfort our friends in Beijing or elsewhere in the region. It was a very carefully constructed statement.

Let me ask you this: Based on the testimony of your predecessor before this subcommittee, Mr. Holdridge, [12] we were

[11] P.L. 96–8, approved April 10, 1979; for text, see *ibid.*, pp. 989–994.

[12] John H. Holdridge, then Assistant Secretary of State for East Asian and Pacific Affairs, testified before the House Foreign Affairs Committee on August 18, 1982, on the joint communiqué signed the previous day. For an extract of his testimony and text of his statement before the Senate Foreign Relations Committee on August 17, 1982, see *ibid., 1982*, pp. 1042–1053.

given the impression that our commitment in the August 17, 1982, joint communiqué to gradually diminish the quality and quantity of our arms sales to Taiwan was based on an understanding with the People's Republic of China expressed in the communiqué that they would refrain from the use of force as a way of resolving the problem of Taiwan, and that they would, in effect, attempt to resolve the Taiwan problem through peaceful means alone.

Based on Secretary Shultz's discussions in Beijing, would you say that this, in fact, is the Chinese interpretation of the August 17 communiqué, or, do they have a somewhat different interpretation of the possible use of force as a way of resolving the Taiwan problem in the future?

MR. WOLFOWITZ. I have looked at Secretary Holdridge's testimony fairly carefully, and I think it was very correctly stated there.

I do not believe we have an understanding with China; what we have in the communiqué is a statement by China of their policy and, as I think Secretary Holdridge said in his testimony both here and in the Senate, our statements about arms sales are premised on that Chinese statement about their policy.

That is a relationship which the Chinese have made some statements about. They feel that, in the first place, they are under no commitment to us, even with their opening statements and, of course, they continue to disagree even with the statement of arms sales policy that we have asserted.

I think the key to working out our differences is that we proceed through actions, not by discussing one another's words; that is, they continue their fundamental peaceful policy and we continue our policy on arms sales. The theoretical difference will then be worked out in practice.

MR. SOLARZ. They said in the joint communiqué that it was their fundamental policy "to strive for a peaceful solution to the Taiwan question."

Was there any discussion of the meaning of that statement in any of the discussions Secretary Shultz had in Beijing?

MR. WOLFOWITZ. The Secretary's general approach to this communiqué was not to try to clarify or elaborate pieces of it, which would amount in fact to trying to go beyond very carefully arrived at language; but to say that we have both made commitments, we have both made statements of policy in the communiqué, and that the President has instructed me, Secretary Shultz, to tell you directly, and in his name, that we are going to carry out our obligations under that communiqué and, of course, we expect you to carry out yours.

MR. SOLARZ. Are you saying there was no discussion of the attitude or position of the People's Republic of China with respect to the possible use of force as a way of resolving the problem of Taiwan in the discussions that Secretary Shultz held?

I mean, you are saying, in effect, that all he said about this was that everything was said in the communiqué where you expressed your position and we expressed ours, so let's move on and talk about other things, but we expect you to live up to your statements and we will live up to ours. There was no further discussion of what the words meant?

MR. WOLFOWITZ. That is essentially correct.

MR. SOLARZ. Would it be fair to say that based on the actual wording of this communiqué, while the People's Republic of China said it was its fundamental policy to strive for a peaceful solution of the Taiwan question, it clearly does not completely exclude the use of force, in the sense that the People's Republic of China says its policy is to strive for a peaceful resolution, but it doesn't go on to say that there are no circumstances under which it would use force?

Would that be an incorrect interpretation?

MR. WOLFOWITZ. I think that is why they are insisting on the point that they have made no commitments. But they have made a statement of policy, and I think the point is not to look at hypotheticals of what might happen if either one of us departed from the statements of policy made in the communiqué but, rather, to say that if we both follow these parallel courses of policy there is a way in practice to manage the differences of principle.

MR. SOLARZ. I am going to ask you the kind of question which is asked of students who seek admission to Talmudic or

Jesuit academies. I am going to read to you two statements and I would like you to tell me how they are consistent with each other.

The first statement comes from paragraph 6 of the United States–China joint communiqué of August 17, 1982, which I gather was reaffirmed, in effect, through Secretary Shultz's discussions in Beijing. We committed ourselves, you have just testified, to carrying that communiqué out. In the communiqué it says in paragraph 6 that the United States "intends to reduce gradually its sales of arms to Taiwan leading over a period of time to a final resolution."

Yet the President, in a recent interview which he gave to *Human Events*, said the following:

> "If the day ever comes that those two find that they can get together and become one China in a peaceful manner, then there wouldn't be any need for arms sales to Taiwan, and that is all that was meant in the communiqué. Nothing was meant beyond that. We are not going to say, well, just as time goes by we are going to reduce the arms to them. No, we hope for a peaceful resolution of this issue." [13]

On the one hand, the communiqué says it is our intention to reduce gradually sales of arms to Taiwan over a period of time; on the other hand, the President says that we are not going to say, "Well, just as time goes by we are going to reduce the arms to them."

Can you perhaps reconcile this seeming contradiction?

MR. WOLFOWITZ. Well, I hope if I succeed I won't be forced to become a Jesuit or a Talmudist.

But it is a valid question. I think it is important, perhaps first of all, to recognize that on the one hand you are dealing with a carefully crafted negotiated document; and on the other hand you are dealing with an interview. Very much like a line of questioning here, the interview bears in from a certain direction and is asking a certain question.

I think the basic question that is being asked there as you read it in context is how on Earth could the United States have made this commitment to a gradual reduction? I think the President's answer is really a very direct version of what I just said a few minutes ago about the more carefully crafted language of the communiqué, which is that it is not merely as time goes by that we talk about reducing arms, but in the context of a Chinese statement of a fundamental policy of peaceful approach to the problem.

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Document 468

Transcript of the Department of State Daily Press Briefing, March 21, 1983 (Extract) [14]

Sale of Arms to Taiwan

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Q. Some stories coming out over the weekend indicate the United States has now "announced," or made known in some way, what the level of arms to Taiwan is to be for this year. How was that done?

A. Don, there was a Congressional Presentation Document that was sent up to the Hill some time ago—I would guess almost 2 weeks ago. It's an open, unclassified document that went up to the Hill. I think it is that document which makes these various estimates or projections public.

Q. Would you get those and make them available to us, because we've repeatedly asked the question in the past about these levels, and the answer was given that they had not been established?

A. Well, projections—Again, there are projections—I will check and see whether the Congressional Presentation Document

[13] *Human Events*, February 26, 1983, pp. 1–19. The President's statement was in response to a question about the sale of arms to Taiwan.

[14] Source: Office of Press Relations, Department of State. Department of State Acting Spokesman Alan Romberg conducted the briefing, which began at 12:12 p.m.

is available. I'm not sure that we're the ones to do that.

Q. Is it a State Department document?

A. I don't know the answer to that. But again, let me say to you that, again, they are projections; they may not be realized. I think that the thing to do perhaps is to look at that, and then come back with some specific questions. There is some guidance which I think could be useful. But I don't think addressing it in the abstract is going to be very productive.

Q. Could you get the guidance plus the document or whatever it is, so we could find out what is being talked about when they, the Chinese are complaining about something that we've never heard of up to now?

A. The document, I will see where the document is available. If it's available here, we'll be happy to make it available.

Q. The Chinese say that the projected level is $1.6 billion annually, something in that order—

A. No, no, no. They didn't say annually; they said over a 2-year period.

Q. All right, a 2-year period. And they said that, in effect, is a reneging on the implied or explicit promise by the United States to have a diminished supply of arms going to Taiwan. Would you comment on that?

A. Let me just say this on that: First, as I say, the figures are projections, and may not be realized in the course of the fiscal years which are cited. The figures which are cited in that document are $800 million for FY-83 and $780 million for FY-84.

Q. The second figure?

A. $780 million. Should these levels be realized, they would be fully consistent with the August 17 communiqué. As the communiqué says, the reductions will be gradual, and although there may be occasional fluctuations, the trend will be apparent over time. As the Secretary has said, we intend to keep our commitments.

There are various tables which explain how figures for past years might be adjusted to bring them up to '83 levels in terms of this year's dollars to make comparisons and so on, and that's in that same document.

Q. You're saying that the figures are consistent with the Taiwan communiqué—with the communiqué of August 17, and the People's Republic says they're inconsistent, [18] and that's the way you're going to leave it at this point?

A. I can't speak for the Chinese. They have to speak for themselves on this issue.

Q. They have spoken for themselves.

A. Fine. I am saying to you that, yes, we view these as consistent with the August 17 communiqué.

Q. It sounds like, from what you're saying, you have adjusted the previous sales figures for Taiwan by an inflation factor.

A. That's right. We haven't adjusted it, but there is provided in the Congressional Presentation Document a table which would give you an inflation index.

Q. Why, then, did not the commitments say we will supply less arms adjusted for inflation?

A. Don, as you know, we haven't tried to get as specific as that. As John Holdridge said before the Senate Foreign Relations Committee in August, we had no figures in mind of any dollar limit. We haven't gotten to that sort of specificity.

Q. You've gotten to it now, right? That is what you're telling us.

A. Not in terms of a limit. I'm not trying to set limits. I'm just trying to explain to you what is in the document to the extent that I can without your having it in front of you, and why it is not inconsistent with the August 17 communiqué.

Q. This August 17 communiqué is all about limits. You're now citing some figure, but you're saying they're not limits?

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[18] The Chinese Foreign Ministry Information Department charged on March 21 that the projected U.S. arms sales to Taiwan exceeded the level since 1979 and violated the stipulations of the August 17 communiqué. It stated that the Foreign Ministry had made formal representations to the U.S. Embassy in Beijing. (Foreign Broadcast Information Service, *Daily Report: China*, March 21, 1983, p. B1)

A. For example, let me give you one example, if I have a figure. I'm not sure I do.

The 1979 level, for example, was $598 million which, if adjusted for inflation, would be $830 million in 1983 dollars. But I'm not again—no, I'm not trying to set a benchmark or a specific limit.

Q. What's the point of producing the figures then?

A. Just because it is assumed that there would be questions about how this fits with previous years' sales.

Q. Alan, a minute ago you said you were trying to explain why these levels are consistent with the communique, and maybe I'm being obtuse, but I didn't hear anything you said that explains why they are. I heard you say that they are. Why are they consistent?

A. As I said before, as the communique says, the reductions will be gradual and, although there may be occasional fluctuations, the trend will be apparent over time. I've just given you a figure for example, 1979, which adjusted into 1983 dollars is $830 million as compared with the projections.

Again, I've got to stress they're projections of $800 million for FY-83 and $780 [million] for FY-84.

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Document 469

Response by the Secretary of State (Shultz) to a Question Asked Following His Address Before the World Affairs Council, Dallas, April 15, 1983 [16]

"We're a Country of Refugees"

They have reacted negatively to our decision to give amnesty to Hu Na.[17] I might say that for some reason there is a perception in this country, let alone in China, that that's something that the President decides, or decided. It isn't.

Amnesty issues are decided in a semi-judicial forum in the Immigration and Naturalization Service which is part of the Department of Justice. There are criteria that have been set up, and they make a decision. It isn't a decision made in the State Department or by the President or whatever, but, rather, a decision that's part of a process and part of an expression in the United States of a kind of natural concern that I suppose represents our heritage—concern over refugee issues.

Unlike most other countries—certainly unlike China—we're a country of refugees. We all came, back there somewhere or more recently, from someplace else. That means we kind of have an instinct for that sort of a problem. Whereas if you take a country like China or Japan or a typical Western European country or Scandinavian country, there is a much more homoge-

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[16] Source: Department of State Press Release 109A, April 20, 1983; also printed in Department of State *Bulletin*, June 1983, p. 15. For the full text of this question-and-answer session, see *ibid.*, pp. 13–15. The question concerned the current status of U.S.–China relations following the Department of Justice's April 4 announcement that the Immigration and Naturalization Service had granted asylum to Chinese tennis player Hu Na.

[17] The Chinese Foreign Ministry protested the decision in an April 6 note to the U.S. Embassy in Beijing, the text of which was carried by Xinhua the same day. On April 7, Xinhua reported that the Chinese Ministry of Culture and the All-China Sports Federation had announced the cancellation of all cultural and sports exchanges with the United States for the remainder of 1983 because of the U.S. decision. (Foreign Broadcast Information Service, *Daily Report: China*, April 7, 1983, pp. B1–5)

nous population there, and they all come from there.

I think sometimes it's harder for people with that heritage to understand the instinct of the United States for the problem of a person who feels displaced or cast out in some way. That's just part of our instinct and heritage. Personally, I love it. I hope we never lose that sense of being willing to help people who are having a hard time.

Document 470

Address by the Secretary of Commerce (Baldrige) Before the National Press Club, June 1, 1983 (Extracts) [18]

U.S.–China Trade Relations

I'm glad to be back at the Press Club again. I'm just back from a trip to Japan and China and would like to give some of my thoughts on these areas. I was pleased with both visits because I believe we accomplished what we set out to do.

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Let me shift to China.

Two years ago the President and the Chinese established a joint commission on commerce and trade. This was the first meeting as a result of that decision. In fact, the decision to actually hold the first meeting means that both countries want to expand trade and other governmental relations despite our political differences. It has been obvious that the Chinese Government has tried to put their joint political, economic, and commercial problems in separate compartments, as we were well received and there was a good deal of interest in our visit from both the government and the press.

I met with Premier Zhao for an hour as well as with Finance Minister Wang, Vice Minister for Foreign Affairs Han and, of course, my host the Minister of Foreign Economic Relations and Trade Madame Chen Muhua in the joint commission meetings where Minister Chen and I were cochairmen.

We agreed that the Seventh Round of Textile Negotiations should resume as soon as possible with efforts made to reach final agreement in that round under the USTR team.

Second, China agreed in principle to hold detailed discussions with the United States on an agreement on industrial cooperation. They feel that industrial cooperation cannot be separated from technical cooperation and they've agreed to give U.S. companies early warning of China's plans so we can be ready to bid and to help. In short, early identification of Chinese projects so that American companies can get in on the ground floor.

Third, we exchanged drafts of a bilateral investment treaty and negotiations began today in Beijing. This treaty will get into repatriation of profits, how to settle disputes, arbitration methods, etc.

Fourth, we will send specialists in economic and trade law to hold seminars in China this year. China will send their experts here next year. This will increase the understanding on both sides of the various laws that affect our opportunities. The Chinese do not fully understand our trade laws and, I might add, they are not alone. On the other hand, we feel they need more transparency in their laws as they go through the process of legal revisions. Patent law and tax law are important issues here.

Fifth, the Overseas Private Investment Corporation will sponsor, along with China's Ministry of Foreign Economic Relations and Trade, an investment mission of U.S. business to China. In the last 2 years every time an OPIC mission like this has been sent, an upsurge in investment in that country has followed.

Sixth, China agreed to give the head of the U.S. trade development program a list of China's highest priority projects so that the trade development program can consider financing feasibility studies.

Seventh, China sent a coal mission to the U.S. recently and we have offered to send a technical mission on coal transpor-

[18] Source: Department of Commerce files. The portion omitted here is Baldrige's remarks on his trip to Japan.

tation to China to review projects such as unit trains.

Eighth, in telecommunications, we expect China soon to sign a protocol. Again this provides us with early notice of plans.

Finally, I delivered a personal letter to Premier Zhao from President Reagan. I emphasized to the Premier the importance which the President attaches to our relationship with the PRC. We spent a great deal of time on the issue of technology transfer, which the Chinese need from us to develop their economy and provide jobs for their increasing workforce.

The Chinese have been treated far differently in transfer of technology by the U.S. in the last 2 years than before. From their point of view, though, we have not achieved what they and the American companies involved want—and that is predictability and certainty in advance that cases will be handled quickly, and that they will get a clear answer.

The President asked me to tell the Chinese that this process will be improved significantly and quickly. The President made his policy on significantly higher levels of technology transfer clear when he announced it in 1981.[19] The difficulty has been in our ability to translate that policy into the actual technical level of technology we would sell.

One good example of the difficulty in putting the policy into action is in computers. There are 14 different guidelines involved. If one component falls outside of one of those guidelines, the computer can't go even if the general technology level is quite old and available elsewhere.

We have to fix up the system and that's what we are working on now.

Of course, we still must take into account national security concerns. It's a question of making the decisions within predictable guidelines that live up to the President's policy and doing it on a timely basis.[20]

Document 471

Address by President Reagan, Camp David, Maryland, August 6, 1983 (Extract)[21]

U.S.–China Textile Agreement

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Finally, let me mention an important agreement on textiles we've just reached with the People's Republic of China.[22] No free market currently exists in textiles—only what is called the Multifiber Arrangement signed by 46 countries.[23] We're a party to that arrangement, but China is not and our bilateral agreement with them[24] expired last December. To prevent a flood of imports from harming our struggling textile industry, we imposed unilateral quotas on China's products.

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[19] Then-Secretary of State Alexander Haig announced plans to relax U.S. controls on the sale of high technology items to China at a press conference in Beijing on June 16, 1981. For the transcript of the press conference and the text of President Reagan's remarks on the subject at his press conference the same day, see *American Foreign Policy: Current Documents, 1981*, pp. 951–956.

[20] On June 21, Secretary Baldrige announced a U.S. Government decision to raise the level of high technology goods licensed for export to China which was to be put into effect after new technical guidelines were prepared and after consultation with U.S. allies.

[21] Source: White House Press Release, August 6, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, August 15, 1983, p. 1104. The President spoke on nationwide radio at 12:06 p.m. For the portion omitted here, which covers other trade issues, see document 61.

[22] The agreement, retroactive to January 1, 1983, was effected by an exchange of notes at Beijing dated August 19, 1983. (Text of agreement in Department of State Press Release 370, October 18, 1983)

[23] Agreement regarding international trade in textiles, signed at Geneva on December 20, 1973; 25 UST 1001. It was extended by a protocol signed at Geneva on December 22, 1981; TIAS 10323.

[24] Signed at Washington on September 17, 1980; for text, see *Public Papers of the Presidents of the United States: Jimmy Carter, 1980–1981* (Washington, 1982), pp. 1794–1801.

They responded with large reductions in their purchases of American farm products. We faced three options: option 1, end our restrictions on Chinese textiles, which would help our farmers but risk further damage to our textile workers; option 2, cut back Chinese exports even further, which would cost our farmers billions more in lost sales; or option 3, negotiate a tough but fair 5-year agreement with China to permit controlled, moderate growth of Chinese exports. We chose option 3.

Our textile producers can be assured there will be no flood of imports and they can get on with the task of modernizing their industry, which is the best long-term assurance of jobs for our own people. This new agreement will mean more business for our farmers. And it promises China the opportunity to sell its products here. That's important for good relations between our two countries.

Bit by bit we're restoring America's reputation as a reliable supplier and as a supporter of free and fair trade for progress and for peace.

Until next week, thanks for listening and God bless you.

Document 472

Statement by the Secretary of Commerce (Baldrige) Before a Subcommittee of the House Committee on Energy and Commerce, September 27, 1983 [25]

U.S. Policy on Exports of Advanced Technology to China

I am pleased to have this opportunity to appear before this committee to talk about the U.S. Government's policy on technology transfer to the People's Republic of China. I believe we share the goal of improving economic relationships with the People's Republic of China, the most important aspect of which is technology transfer.

One of China's most important goals is to modernize her industrial base. If China is to increase the economic well being of her people, to provide jobs for the many unemployed in that country and to remain a secure and stable society, China must build her overall industrial strength. We consider China to be a friendly, nonallied country. If we turn our backs on China's modernization efforts, China will likely turn to our competitors. This does not serve our national interest. There are millions of people they have to provide jobs for. Their industrial base is outmoded and they need that kind of assistance.

The administration's intense efforts to improve technology transfer of U.S. products and technologies to the PRC is the result of lengthy deliberations within the Government. I would like to provide some brief historical perspective. In June 1981 President Reagan issued a directive governing technology transfer to the PRC which stated that the United States "supports a secure, friendly and modernized China" and allowed for approval of equipment and technology at technical levels twice that approved for the U.S.S.R. (prior to their invasion of Afghanistan).

Under this directive, all cases, even those below the "two times" threshold, were subject to interagency review so as to minimize any national security risk. In May 1982 Judge William Clark, Director of the National Security Council, issued another directive reaffirming this presidential policy.

In the fall of 1982 the Commerce Department, at my direction, initiated a detailed study of the existing "two times" policy. That study concluded that:

The policy was neither clear nor predictable to the involved government agencies, the business community, or the Chinese Government.

The "two times" benchmark was not easily applied across the commodity control list.

I might add that as I understand the statement, if anything, the "two times" benchmark was premised on a comparison of the level of equipment and technology going to the U.S.S.R. This comparison

[25] Source: *U.S. Technology Transfer to China: Hearing Before the Special Subcommittee on U.S. Trade with China of the Committee on Energy and Commerce, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1984), pp. 3–6.

with the U.S.S.R. offended the Chinese Government.

Compared to what the U.S. Government allows to be licensed to the free world, the "two times" policy was demonstrably more restrictive, and the intent of the President to increase technology transfer to the PRC was not being fully implemented.

Following this study, the President, in May of this year, decided to place China in the same export category as certain other friendly countries, that is, category V. This presidential decision was made immediately preceding my trip to China to discuss technology transfer and other trade matters. In conjunction with the change to category V, the President also directed that an interagency steering group on PRC technology transfer be established under the direction of the National Security Council. Several committees were established and one committee, chaired by the Commerce Department, was asked to define the new technical guidelines which would be used by the United States Government to guide licensing decisions for products and technologies to the PRC.

The work of these committees is, for the most part completed, and new regulations describing the new China policy will be published in the *Federal Register* in the near future. [26]

I think it is important to note that this new technology transfer policy to the PRC is intended to substantially increase the flow of technology and equipment while retaining national security controls on truly sensitive equipment and technology. This new policy also is being closely coordinated with our COCOM allies so that we can continue to honor our multilateral control obligations. In fact, our consultations with our COCOM allies are ongoing, and until they are completed, I will not be able to provide a detailed description of that new policy.

I wish to emphasize that the new policy toward China is in the best interest of our national security and foreign policy. This view is shared by the Departments of Defense, State, Commerce, the Joint Chiefs of Staff, the National Security Council, and, of course, the President. As you know, Secretary Weinberger is presently in China, where he is discussing our new technology transfer policy.

It is the President's belief that U.S. technology transfer should support China's technological and economic modernization, support China's integration within the world economic system, and assist the stable development of China's policy.

It is the view of the U.S. Government that the People's Republic of China is unlikely to pose a threat to the U.S. security interests unless there is a major infusion into that country of the most advanced military systems. Moreover, this technology transfer will not alter the U.S.-PRC stragetic balance, though the transfer of technology will prevent a widening of the military gap between the PRC and the U.S.S.R.

With that as background, I would like to explain in more detail the new technology transfer guidelines for the PRC. As noted, China will be placed in category V, with a national security review being retained for license applications to the PRC. Second, under the new guidelines, there will be three zones established to guide licensing decisions. They are: green zone, intermediate zone, and red zone. These zones are defined as follows:

License applications within this [green] zone will receive, for the most part, routine approval. The Department of Defense will delegate review authority to Commerce and no interagency review will be necessary.

These applications will represent minimum national security risk.

The green zone represents a major change in our policy because almost 75 percent of PRC applications will fall within the green zone. We have raised the levels of technology within this zone, and so will be able to process more applications more quickly. This speedier processing will be possible since there will no longer be the time-consuming interagency review, which has been a serious problem in processing PRC applications.

Applications within this zone [intermediate zone] will be for very high technology and will require case-by-case review by

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[26] The amendments to the Export Administration Regulations were published in the *Federal Register*, November 23, 1983, pp. 53064-53071, and *U.S. Technology Transfer to China*, pp. 21-76.

Defense and other agencies, as appropriate.

We may approve licenses within this zone unless the commodity or technology poses a clear threat to the U.S. security interests.

I expect we will approve a large number of cases in the intermediate zone, subject to a close national security review.

The red zone includes the most advanced technologies which we usually would not share even with our closest allies.

The red list will be classified and will not be divulged.

License applications to export items in the red zone will have a strong presumption for denial. They will have direct application to advanced military systems and would pose a clear threat to U.S. security interests.

In addition, a senior interagency group under the direction of the National Security Council will review quarterly our progress in implementing the new policy and will continue to review the products and technologies within the three zones and make additions or deletions as appropriate. This steering group will also review the technology transfer policy in the context of the state of our relations with the PRC.

It is our belief that the new China policy accomplishes the following goals: The establishment of clear and predictable guidelines for technology transfer, the streamlining of the licensing process enabling the Government to make much prompter decisions as to whether a product can or cannot be licensed to the PRC, and the establishment of substantially increased technological levels for products and technologies consistent with the national security concerns.

These are some details of the new PRC licensing policy. As we are still consulting with our COCOM allies and are also having discussions with the PRC Government which have not been completed, I cannot give you more details at this time. Consistent with this restriction, however, I would be pleased to answer any questions that you might have.

Document 473

Statement by the Secretary of Defense (Weinberger), Beijing, September 28, 1983 (Extract) [27]

Secretary Weinberger's Visit to China

Good morning, ladies and gentlemen. A short statement and then I will be glad to try to take your questions.

I am very pleased to announce that President Reagan has invited Premier Zhao to make a state visit to the United States and the Premier has accepted the invitation and he will meet with the President at the White House in January of 1984. I am equally delighted to be able to tell you that President Reagan has also accepted an invitation from the Premier to visit the People's Republic of China in the spring of 1984. And finally, the Minister of National Defense, Minister Zhang, has accepted my invitation and he will visit the United States at a mutually convenient time, and I hope that will be soon.

As we depart Beijing I would just like to say first of all that the entire delegation has enjoyed their visit here very much. We appreciate the very warm hospitality provided by our Chinese friends and they have certainly lived up to their reputation as hosts. We feel that our meetings and discussions have been very useful and positive and my talks with the Premier and the Chairman this morning were very friendly and they will certainly assist, I think, in furthering mutual understanding between our two governments.

Our meetings with the Defense Minister and our staff level discussions have been very friendly and frank and productive. Our exchange of views on the global situation enhanced our mutual trust and confidence. We have divergent views of course in some areas, but our positions on most important issues, I think, are close and both sides have been reassured on that.

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[27] Source: *Public Statements of Secretary of Defense Weinberger, 1983*. The statement was made at the beginning of Secretary Weinberger's press conference.

The staffs of our two sides have been engaged in intensive and detailed discussions of military technology cooperation, including discussions of specific weapons systems, and these discussions will continue with my personal participation. We've also had discussions of the civilian technology and dual use technology.

On the basis of the work here I'm really confident that we have secured the basis for a continuing relationship that will add greatly to the ability of both countries to deter war and thereby increase the chances of peace. I think we've made substantial progress in understanding each other's position, and I anticipate greatly expanded cooperation in the future in this area. Future exchange of visits by personnel in various military specialties from both countries, I think further develop the friendship and the cooperation between our armed forces.

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Document 474

Transcript of a Department of State Press Briefing, October 13, 1983 (Extracts) [28]

Visit of Chinese Foreign Minister Wu

SENIOR DEPARTMENT OFFICIAL. I don't have any formal statement but just a few remarks.

I think this was a very good visit. [29] The talks were friendly, frank and constructive. They were also very lengthy. The number of topics that were covered of global issues, regional issues, bilateral issues is kind of a testimony to the breadth of the relationship. The fact is that they had extended their schedule 6 hours of meetings to about 8, and then had a wrap-session this afternoon and gone into a little business as well; it went over half an hour. It was a lengthy and extensive discussion; very useful ones.

Q. You mean those with Shultz were 8 hours?

A. With Shultz alone, yes. He also had nearly an hour with the President. He met with Secretary Regan, Secretary Baldrige, Science Adviser Keyworth.

Have I missed any other Cabinet officers? I think that's the list. Excuse me, and Deputy Secretary Thayer. Weinberger was off in Korea. I think he chatted briefly with Weinberger just before Weinberger [departed?]. He chatted at the dinner.

I think these talks were very constructive. They helped to lay the groundwork for what we hope will be very useful exchange of high-level visits when Premier Zhao comes here in January and when the President goes to China in April.

There were no breakthroughs, as I indicated in my original backgrounder. We didn't expect any. I think our relationship is on the kind of basis now where we have a lot in common, a lot to talk about, that we can usefully learn from one another, and quite a few problems as well that take time and have to be worked on. I think there was a general agreement that we had made considerable progress in the relationship since the two ministers met in Beijing in February, and that we look forward to continuing that progress over the coming months and through the two very important visits that we have scheduled for next year.

. . . . . .

Q. What aspect of the Taiwan question was discussed, or aspects?

A. It was discussed in terms of its effect on our relationship, discussed in terms of—at least they talked to us some about their attitude, about their 9-point proposal. [30] Our position has been, and we have

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[28] Source: Office of Press Relations, Department of State. The briefing was conducted on background by a senior Department of State official; it began at 5:10 p.m.

[29] Chinese Foreign Minister Wu Xueqian visited Washington, October 11–13, following his participation at U.N. General Assembly meetings in New York.

[30] For text of the nine-point proposal set forth on September 30, 1981, by Ye Jianying, Chairman of the Standing Commitee of the National People's Congress, see *American Foreign Policy: Current Documents, 1981*, footnote 25, p. 963.

simply reiterated it, that there are differences between us. We know there are differences between us on this issue. We are trying to approach those differences by adhering faithfully to the communiqués that we have signed. Regarding the issue of Taiwan is something that the Chinese on both Taiwan and the Mainland have got to resolve between themselves.

Our interest is, and hope, that resolution will take place peacefully.

Q. Excuse me, if I may follow on that. Some of the reports I read of interviews with Minister Wu, he has said that he did not think we were adhering faithfully to the communiqués. Did he bring that up?

A. We think we are adhering to it. There are obviously some differences of view about it, but, frankly, over time, I think we will probably accept—I mean, our point has been rather than quibbling about specific interpretations, look at our actions over time; and over time you'll see a trend, as the communiqués suggest, that there should be.

Q. I gather from what you're saying that he said he still doesn't think we're adhering to it.

A. I don't think he put it in quite those terms. You would have to ask him how he put it. I don't want to characterize it. I'll just tell our position is that rather than getting into disputations about specific commas and specific words in the communiqué, we know there are some differences about how it's looked at. We, for example, have recognized that if one is to look at quantities in terms of dollar figures, then you've got to take account of the fact that dollars inflate. But the main point is that over time they can expect to see a trend. And our basic message is, we take the commitment seriously; the President takes the commitment seriously, and we intend to live by it.

Q. On Monday,[31] you said there are three different areas in which there will be discussions regarding the transfer of different kinds of things. The first one was on peaceful nuclear cooperation. Can you kind of just go through these three areas as to where we stand on the basis of these discussions?

A. Okay. I'm not sure I can be all that helpful, but I'll try.

As it turned out, all three of those were discussed. I was more trying to indicate the difference because each one is fairly complicated and each one we have specific restrictions imposed on us by law and the restrictions are different. It really is hard to keep it straight. I noticed many press stories written by very good journalists that don't get it straight.

I think the Chinese have—one of the reasons we have these very long discussions is that it takes a lot of time to explain it. And, to be honest with you, sometimes I'm not sure I have it straight.

Let me start with what I think is really the most important, and that is dual-use technology; the technology that is licensed under the Export Administration Act, which has been the subject of major attention by us, ever since Secretary Shultz' visit to Beijing in February. In fact, I can almost say that the most important thing we learned in that visit was the depth of Chinese concern on that issue and some of the specific points on which they were concerned. That was discussed, I believe it's fair to say, largely in terms of both sides recognizing—although you would have to ask them to speak for themselves—I think there's a recognition on both sides of the significance of the President's decision to reclassify China in Category V, as it's called, under the Export Regulations, and of our subsequently developed guidelines that would provide for a substantial liberalization of controls on exports to China.

There was specific discussion, as I've already mentioned, of our need for assurances against the unauthorized retransfer of our technology to third countries. That was not concluded, but I think we made some progress.

The second area, the area of peaceful nuclear cooperation, was discussed at some length. The Chinese did announce to us—and this is a matter of public record now—I believe that they, as of yesterday it is, joined the IAEA which is a very significant step in bringing China in as a responsible player in international, peaceful nuclear programs.

It is well known that China has some serious reservations about the Non-Prolif-

[31] October 10, 1983.

eration Treaty [32] and certain other aspects that flow from it, just as I believe the French do and for similar reasons.

We explained to them the requirements that we have under our law for certain kinds of assurances if we are to trade in peaceful nuclear technology with countries, for certain kinds of assurances both about how our specific technology will be used and also about how the country receiving it will behave in its general dealings with other countries. This is a very tough issue.

Ambassador Kennedy had a round of talks in Beijing that were useful. I think the discussions here this week, I hope, have moved us forward some, but we're still some distance from concluding an agreement there.

The agreement is important both because of what it would represent in terms of China's effective participation in limiting the spread of nuclear weapons; and also because it would open the way to what I think could be very mutually beneficial trade in advanced nuclear reactors, and so forth, that we can sell them.

The third area is the area of military technology. It was discussed briefly with the Secretary. The point there simply being to register the importance of the discussions that Secretary Weinberger and members of his party held while he was in Beijing, and then it was discussed in considerably more detail when Deputy Secretary of Defense Thayer and Assistant Secretary Armitage called on the Minister yesterday.

Frankly, I thought we had covered the subject in such detail when Weinberger was there that now it was a matter of get back to the staff work and figure out our own positions a little better. But, actually, I think the discussion we had yesterday gave us a clearer picture of a couple of points that the Chinese were stressing, and I think they have gotten a clear picture on our side.

For example, in the case of things they've asked for, it's mostly a matter now of our going back and doing our staff work, making our policy decisions and deciding what kinds of things we can move ahead on.

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Document 475

Statement by the Deputy Assistant Secretary of State for East Asian and Pacific Affairs (Brown) Before the Senate Foreign Relations Committee, November 9, 1983 [33]

Proposed Senate Resolution on the Future of Taiwan

Thank you, Mr. Chairman.

May I say that we share the concerns of the Congress expressed in the resolution which you are considering. [34] We have made clear our concern for a peaceful solution of the Taiwan issue in a number of joint documents with the People's Republic of China. For example, the U.S. Government's policy concerning the future of Taiwan and its people has been stated in the Shanghai Communiqué and reiterated in the 1979 Joint Communiqué Establishing Diplomatic Relations.

In the February 1972 Shanghai Communiqué, the U.S. side stated: "The United States acknowledges that all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is a part of China. The U.S. Government . . . reaffirms its interest in a peaceful settlement of the Taiwan question by the Chinese themselves."

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[32] Signed at Washington, London, and Moscow on July 1, 1968; 21 UST 483.

[33] Source: *The Future of Taiwan. Hearing Before the Committee on Foreign Relations, United States Senate, Ninety-eighth Congress, First Session, on S. Res. 74* (Washington, 1984), pp. 6–7.

[34] Senate Resolution 74, introduced by Senators Claiborne Pell, John Glenn, and Edward M. Kennedy on February 28, 1983, stated that it was the sense of the Senate that "Taiwan's future should be settled peacefully, free of coercion, and in a manner acceptable to the people on Taiwan and consistent with the laws enacted by Congress and the communiqués entered into between the United States and the People's Republic of China." (*Ibid.*, pp. 3–4)

The United States reaffirmed this statement in the 1979 communiqué normalizing relations and stated: "The United States continues to have an interest in the peaceful resolution of the Taiwan issue and expects that the issue will be settled peacefully by the Chinese themselves."

This consistent position has two main points: One, the resolution of the Taiwan issue is a matter for the Chinese themselves to decide; and, two, the United States has an interest in having that resolution be peaceful.

The U.S. Government, therefore, has not expressed any opinion on what form the ultimate resolution might take nor the procedures which the Chinese should follow to arrive at it, other than that those procedures should be peaceful.

It is this position which is reflected in the Taiwan Relations Act.

The Taiwan Relations Act emphasizes that "the U.S. decision to establish diplomatic relations with the People's Republic of China rests upon the expectation that the future of Taiwan will be determined by peaceful means," and that the U.S. Congress considers it to be of grave concern to the United States "any effort to determine the future of Taiwan by other than peaceful means."

I would like to say a word about the resolution you are considering and its possible effect on U.S. relations with China.

The reference in the congressional resolution calling for a settlement of Taiwan's future "free of coercion and in a manner acceptable to the people on Taiwan" could be considered the addition of new and undefined elements to the U.S. position on Taiwan.

These provisions do not contradict U.S. policy. However, we believe this new and different iteration of U.S. policy may be unnecessary and even unhelpful since it may appear to qualify the expression of the U.S. policy which has been contained in formal statements such as the Shanghai and normalization communiqués.

I have been asked to comment on the likely reaction by the People's Republic of China to your resolution.

The People's Republic of China has consistently expressed its intense opposition to the Taiwan Relations Act, contending that it constitutes an interference in China's internal affairs and that its substance is counter to the commitments undertaken by the U.S. Government in the communiqué on the establishment of diplomatic relations with China.

The People's Republic of China further asserts that domestic legislation in the United States ought not to take precedence over governmental agreements concluded between nations. Officials of the People's Republic of China make these points without fail in any conversation with U.S. officials or private citizens which touches upon resolution of the Taiwan issue.

It is reasonable to assume that the People's Republic of China would respond along similar lines to the passage of the resolution you are presently considering. The People's Republic of China regards settlement of the Taiwan issue as solely an internal affair of China. Thus, it can be expected to contest strongly the right of any other State to legislate on this question.

In recent months, our relations with the People's Republic of China have been developing in a very positive fashion. We have seen visits to Beijing by Secretaries Shultz, Baldrige, and Weinberger as well as Dr. Keyworth, and last month we received the Chinese Foreign Minister, Wu. As you know, a visit by Premier Zhao Ziyang is planned for January, and the President will visit China in April 1984.

A number of significant bilateral agreements are currently being negotiated. A healthy and developing relationship between the United States and the People's Republic of China contributes to the overall stability of the Western Pacific region and, thus, to continued prosperity and development of Taiwan.

The extent to which passage of the resolution would cast a shadow over these positive developments in United States-PRC relations is subject to debate, but this is a factor that should be considered by the resolution's sponsors.

In sum, while we do not consider the amendment to be inconsistent with our policy, its passage has the potential to cause complications in our relations with China.

Thank you.

Document 476

Transcript of a White House Press Briefing, November 28, 1983 (Extract) [35]

Pending Legislation Relating to Taiwan

MR. SPEAKES. . . . There's been some speculation and some news coverage and some statements from the People's Republic of China regarding two pieces of legislation that are pending, mainly the Pell amendment in the Senate and the IMF legislation, which has been approved by the Congress, although it has not yet arrived at the White House for signature. [36]

Both measures reflect the views of the members of Congress who voted for them on specific issues. The policy of this administration toward the People's Republic of China has been clearly and consistently enunciated many times. We recognize the People's Republic of China as the sole legitimate Government of China and we do not think that the Senate resolution or the amendment to the IMF appropriations bill should affect Premier Zhao's visit to the United States and the President looks forward to visiting the People's Republic of China.

Questions on that?

Q. Yes. You say that we recognize the People's Republic of China as the sole legitimate Government of China.

MR. SPEAKES. Yes.

Q. Is there another China somewhere?

MR. SPEAKES. No, that's it.

Q. Is that the same thing as the Shanghai Declaration?

MR. SPEAKES. It's the Shanghai Declaration as expanded on by the Carter establishment of diplomatic relations with the People's Republic.

Q. When is the President going to China? Has that been set?

MR. SPEAKES. April.

Q. What date?

MR. SPEAKES. Don't have the specific dates yet.

Q. What do we feel about reunification of Taiwan with China, which I think is what specifically is addressed in the—

MR. SPEAKES. The stated policy is that it's a matter for the Chinese people.

Q. The President will have an opportunity to either sign or veto this legislation?

MR. SPEAKES. Yes.

Q. Will he sign or veto it?

MR. SPEAKES. I would anticipate he would sign it, but I think he will be in a position to express his views, as I have expressed it, and the views will be as I've expressed here.

Q. Beyond—

Q. One more. In other words, he might sign the legislation making it law, at the same time, say he really doesn't agree with it.

MR. SPEAKES. The IMF legislation, as you know, does not change anything.

Q. I don't know. That's why I'm asking.

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[35] Source: White House Press Release, November 28, 1983, Office of the Press Secretary to the President. The President's Principal Deputy Press Secretary Larry Speakes conducted the briefing, which began at 1:38 p.m.

[36] Senate Resolution 74, or the Pell Resolution, was passed by the Senate Foreign Relations Committee on November 15. House Resolution 3959, which provided supplemental appropriations for international financial institutions, declared that it was the sense of the Congress that "Taiwan, Republic of China, should remain a full member of the Asian Development Bank, and that its status within that body should remain unaltered no matter how the issue of the People's Republic of China's application for membership is disposed of." It was passed by the Senate on November 17 and the House on November 18. For text, see P.L. 98-181, approved November 30, 1983; 97 Stat. 1153.

The Chinese Foreign Ministry protested the Senate Foreign Relations Committee action in a note given to the Embassy in Beijing on November 18; for text, see *The Future of Taiwan*, pp. 35-36. Chinese Communist Party General Secretary Hu Yaobang declared at a press conference in Tokyo on November 26 that if the U.S. reply was not satisfactory, "we will have to reconsider if the exchange of visits between Premier Zhao and President Reagan can materialize." (Foreign Broadcast Information Service, *Daily Report: China*, November 28, 1982, p. B1)

MR. SPEAKES. Yes. The IMF legislation has a provision in it for the Asian Development Bank. It includes a reference to Taiwan that we don't customarily use. The same is true in the Senate resolution, the so-called Pell Resolution.

Q. The Pell Resolution is the more onerous one as far as the Chinese are concerned.

Q. He doesn't have to sign that, does he?

MR. SPEAKES. No, he does not have to sign the Pell Resolution, but he will sign the IMF legislation, I would anticipate. But I think that the reservations I have expressed here are his reservations.

Q. Larry, what is the reference in the IMF bill that's not normally used or is it too long for you to—

MR. SPEAKES. No, it's not too long, but I never let those words part my lips.

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Document 477

Statement by President Reagan, November 30, 1983 [37]

No Change in U.S. Policy Toward China

In signing this appropriation legislation, [38] which includes funding for the Multilateral Development Banks, I would like to clarify one point. While I firmly believe that we must continue the valuable and productive unofficial relations with the people of Taiwan, and I strongly support efforts to ensure their continued participation in the Asian Development Bank, certain terminology used in the amendment to the bill concerning this issue is not consistent with United States Government policy, which recognizes the People's Republic of China as the sole legal government of China. I want to make clear that my signing of this bill does not reflect any change in the position of four successive Presidents with respect to China nor should it be interpreted as any shift in the U.S. Government's recognition policy.

Document 478

Response by President Reagan to a Question Asked During an Interview, December 15, 1983 [39]

U.S. Relations With China

I don't think they do. I know that the People's Republic of China is uncomfortable with our position on Taiwan. But we have reiterated time and time again to them that the people of Taiwan are longtime friends and, in fact, once were allies of ours. We have recognized that there is one China and that its capital is Peking. But we believe that the differences between Peking and Taiwan should be settled by peaceful negotiations.

We can't cast aside one friend in order to make another. We have argued to representatives of the People's Republic that they themselves should take some comfort from that because it's assurance to them that we wouldn't throw them aside to make friends with someone else.

I think we've made great progress. I know that sometimes the Government of the People's Republic has to speak out about this issue, but our trade relations and cooperation in the area of high technology, all of these things represent milestones and successive steps in improving our relations.

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[37] Source: White House Press Release, November 30, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, December 5, 1983, p. 1627.

[38] H.R. 3959; see footnote 36 above.

[39] Source: White House Press Release, December 19, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, December 26, 1983, pp. 1715–1716. President Reagan was interviewed by Marvin Stone and Joseph Fromm, both of *U.S. News & World Report*, in the Oval Office of the White House. The questioner asked what the President considered would be necessary to develop closer relations with China and whether U.S. ties with Taiwan inhibited this.

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Now, the head of their government is coming here and I am going there in the spring. We're going to find other areas where we can improve and increase our relationship—cultural exchanges, things of that kind. All of this, I think, is on a good track. We've made some gains.

E. Indonesia

Document 479

Prepared Statement by the Deputy Director for Southeast Asia, Office of the Assistant Secretary of Defense (International Security Affairs) (Meade), Before a Subcommittee of the House Foreign Affairs Committee, March 18, 1983 (Extract) [1]

Security Assistance for Indonesia

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Our defense relations with Indonesia are based firmly on a shared commitment to the stability and independence of the nations of Southeast Asia. This commonality of interests has increased as a result of the expansion of Soviet forces in the region and the continuing Vietnamese occupation of Kampuchea.

Indonesia's foreign policy is based upon genuine nonalignment. While maintaining its nonaligned status, Indonesia greatly appreciates our friendship and values the assistance provided to its armed forces through FMS credits and IMET funds. U.S. assistance has been instrumental in enhancing Indonesian self-defense capabilities. The growing economic strength and political stability of Indonesia since the mid-1960's are major contributions to the stability of Southeast Asia, and these developments enhance U.S. interests in the region.

Indonesia's confidence in U.S. support has increased considerably since the late seventies. U.S. security assistance programs for our friends in the region, including Indonesia, reached a nadir in the late 1970's. In 1977, for example, FMS credits for Indonesia were $23 million. However, with the Vietnamese move into Kampuchea in 1978 and the expanding Soviet presence in Southeast Asia, the Congress strengthened our commitment by approving increased security assistance programs for our friends in the region, including $40 million in FMS credits for Jakarta in 1982. The increase in the Indonesian program underscored President Reagan's assurance to President Soeharto last October that the United States was a reliable friend. When visiting Jakarta in November, Secretary Weinberger reaffirmed to the Indonesian Defense Minister our intention to retain a major influence in Southeast Asia and to continue our strong support for Indonesian defense requirements.

The reduction in the FY 83 program threatens to undo the improvements of recent years and undermine the credibility of our security relationship. Without the supplemental $30 million for 1983, Indonesia may be forced to forego procurement of 105-MM artillery ammunition and the completion of a major overhaul to extend the life of its C-130 aircraft. If approved, the supplemental credits would be used to finance programs which are ongoing and which are appropriate for Indonesia's defense needs.

We anticipate that the requested FY 84 $50 million program in credits will be used to enhance the Indonesian Army's fire support capabilities, to improve further the capacity of its communications, and to upgrade its ability to support its combat forces through improved logistics systems. You will note that these are not extravagant systems involving sophisticated technology, but capabilities that are appropriate to Indonesia's defense requirements.

Indonesia has the fifth largest population in the world and it is by far the largest country in Southeast Asia. The $2.7 million requested in IMET funds is not large given the size of the Indonesian Armed Forces and the importance of the

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[1] Source: *Foreign Assistance Legislation for Fiscal Years 1984–85: Hearings and Markup Before the Subcommittee on Asian and Pacific Affairs of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), Part 5, pp. 592–595. For Meade's statement on security assistance for the Philippines, see document 504.

officer corps within Indonesian society. The entire range of our relations with Indonesia has benefited immeasurably from the mutual understanding engendered by these training experiences.

In conclusion, I would like to note that the nations of this region, desiring to protect their emerging importance as an economic and political community and sensitive to the substantial threat to their security, will seek adequate levels of security assistance from friendly Free World countries. It is in our mutual interest to respond to these requests to the extent we are able. We believe our security assistance requests for the Philippines and Indonesia meet real needs and should be supported.

Document 480

Prepared Statement by the Deputy Assistant Secretary of State for East Asian and Pacific Affairs (O'Donohue) Before a Subcommittee of the House Foreign Affairs Committee, March 18, 1983 (Extracts) [2]

Fiscal Year 1984 Assistance Requests for Indonesia

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Our request for Indonesia is:

For FY 83, we are recommending $21 million in supplemental FMS guaranteed credits, bringing the FY 83 request to $41 million.

For FY 84, we are requesting:

—*FMS:* $50 million in FMS guaranteed credits, a straight line projection of our original FY 83 request;

—*Military Training (IMET):* $2.7 million, an 11% increase over FY 83;

—*Development Assistance:* $64 million in developmental assistance, one million dollars less than last year because of overall budget stringencies; and

—*PL 480:* $39.2 million in PL 480 assistance, up approximately a half million dollars over FY 83.

. . . . . .

Indonesia

I would turn now to our relations with Indonesia, a nation strategically located astride vital inter-ocean sea lanes, an important member of ASEAN and a moderate, friendly voice in world affairs.

Policy Framework

For nearly two decades, we have enjoyed close and cooperative political and economic relations with Indonesia, based on three essential pillars:

(1) common strategic perceptions and interests in Southeast Asia, especially our mutual commitment to the stability and independence of the states of the region;

(2) mutually beneficial, multibillion dollar trade and investment relations; and

(3) political dialogue and frequent cooperation, bilaterally and in multilateral fora, on such diverse issues as the Indochinese refugee problem, the situation in Kampuchea and human rights.

The State visit of President Suharto last October [3] underscored the importance we attach to our relationship with Indonesia and imparted to it a new vitality and warmth. This new momentum in our relations comes at an opportune time, as Suharto embarks on his fourth term as Indonesian President and as we confront such challenges as growing Soviet military presence in the Pacific and the severe impact of the global recession.

Program Justification

Our developmental and security assistance programs play a key role in fostering strong relations with and preserving our interests in Indonesia. These programs aim at three general goals:

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[2] Source: *Foreign Assistance Legislation for Fiscal Years 1984–85: Hearings and Markup Before the Subcommittee on Asian and Pacific Affairs of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), Part 5, pp. 571, 578–585.

[3] President Soeharto's state visit was from October 12 to 15, 1982.

(1) they help insure the stability and growing prosperity of Indonesia, one of the lynchpins of a stable Southeast Asia;

(2) they provide a measure of U.S. access to key Indonesian decisionmakers; and

(3) they are a concrete manifestation of the humanitarian concerns which underlie our policies.

U.S. Economic Assistance

Indonesia has made major economic progress during the past 15 years. By 1981, Indonesia in fact joined the ranks of the world's middle income per capita nations, as measured by the World Bank. The reelection of President Suharto March 11, and the likelihood that he will continue to rely on many of the same members of his economic management team, indicate that the regime's moderate and pragmatic economic policies will continue.

Yet the economic challenges which Indonesia faces are formidable. Some of its problems are long-term and structural in nature: over-dependence on oil earnings, daunting unemployment in a nation whose workforce grows two million annually, an agricultural economy pushed to the limit to meet its basic food needs.

Of more immediate concern are the severe impact of the global recession, which has cut Indonesia's export earnings about 49% the past two years; the near certain further drop in oil prices, on which the country has depended heavily to fund its ambitious and successful development efforts; and the effect of a prolonged drought, which has impacted adversely on the 1982 and 1983 rice crop. This coincidence of events, essentially beyond the control of the Indonesian Government, presents the country with a serious economic challenge.

The Indonesian Government has already taken several important steps to deal with these problems. President Suharto recently announced an austerity budget, putting a lid on Government operating expenditures. The Government has cut subsidies on key consumables such as fertilizers and refined petroleum products and taken measures to improve collection of public revenues. New trade regulations will probably result in fewer consumer imports, while a major effort is underway to spur non-petroleum exports.

The past strong record of economic management of Indonesia's leadership indicates it will succeed in surmounting its problems. We are committed to help, as the President pledged we would to President Suharto last October. As you know, we have already increased our FY 82 PL 480 Title I assistance to Indonesia from the originally projected $20 million to $30 million, in recognition of the drought's impact. For FY 84 we are seeking $30 million in PL 480 Title I and $64 million in developmental assistance, essentially a straight-line projection from this year.

Our developmental aid will be directed at four main targets: (1) helping Indonesia achieve food self-sufficiency; (2) expanding rural employment opportunities, especially in non-farm jobs; (3) improving family planning and basic health care; and (4) improving selected aspects of education and training.

Our PL 480 assistance will help minimize the amounts of scarce foreign exchange that Indonesia need commit to grain imports, while generating funds for specifically designated projects aimed at the neediest elements of society.

I would also note that our bilateral economic assistance programs are supplemented by important U.S. contributions to the international financial institutions. The World Bank and the Asian Development Bank, in particular, work cooperatively with the Indonesian Government and have made major contributions to Indonesia's development effort.

Security Assistance

Turning to security assistance, I would like first to address our request for both an FY 83 FMS supplemental of $21 million and an FY 84 FMS level of $50 million.

As the subcommittee is aware, we regret deeply that extremely tight budgetary constraints forced the slashing by 60% of our original FY 83 FMS request of $50 million. The cut came at a particularly unfortunate time: immediately on the heels of the Suharto visit, just when Jakarta was beginning to feel the impact of its economic problems, and at a time when we are looking to strong and stable governments in countries like Indonesia to contribute to the stability of Southeast Asia. More generally, such a cut contributes to the erroneous impression that the United

States is lessening its interest in the area and in ASEAN at a time when we wish to support just the opposite.

We believe that a restoration of FY 83 FMS through a $21 million supplemental (yielding a level slightly above the FY 82 total) would mitigate much of the disappointment in Jakarta over the initial cut. It would also be of particular substantive importance to the Indonesian Government now, in light of its tight foreign exchange situation. We anticipate that the bulk of the funds would be used in procurement of badly needed war reserve munitions and the overhaul of C–130 aircraft, which are essential to give the Indonesian Armed Forces even a minimal capability to defend their far-flung archipelago.

We believe with equal vigor, and for many of the same reasons, that an FY 84 FMS level of $50 million is warranted and needed. While respecting Indonesia's nonaligned status, we have developed a constructive security assistance relationship. This reflects our mutually shared strategic perceptions and demonstrates our readiness to assist Indonesia in meeting its legitimate defense needs. The FMS we provide will be used in essential military modernization programs. We anticipate, for example, that substantial portions of the funds would be used in procurement of an adequate air defense system and shipborne weapons systems.

Before concluding the discussion of security assistance programs, I would say a brief word about our FY 84 IMET request of $2.7 million. Indonesia's military leaders regard personnel training as a key element in their force modernization program and our IMET program as one of the most important aspects of their training effort. The FY 84 program will permit about 300 Indonesian middle and upper grade officers to travel to and train in the United States, while U.S. Mobile Training Teams (MTTs) train additional hundreds of Indonesian officers in Indonesia. This overall effort makes a considerable contribution to upgrading Indonesian managerial and technical capabilities in critical defense-related fields and, incidentially, provides those officers who will be the backbone of their country's future military and political leadership an understanding and appreciation of the United States.

CONCLUSION

I would conclude my comments this afternoon with three observations.

First, we have substantial security, political and economic interests in the Philippines, in Indonesia and, more generally, in Southeast Asia, where, as ASEAN members, these countries play leading roles. It is important that we provide sufficient resources to match and promote these bilateral and regional interests.

Second, our assistance programs are tied to our continuing humanitarian interests in the Philippines and Indonesia. Our developmental and food aid programs, of course, address those interests directly. Our total aid effort, including security assistance, fosters stronger bilateral relationships. Out of these grow bilateral dialogues and cooperation on other important issues such as human rights and refugees.

Third, and finally, we seek to be a nation clear in our strategic goals, faithful in our friendships and reliable in our long-term commitments. That, too, is what our friends want of us. I would hope that our assistance programs for the Philippines and Indonesia for FY 83 and FY 84 can be constructed and implemented according to those principles.

F. Japan

Document 481

Statements by President Reagan and Japanese Prime Minister Nakasone, January 19, 1983 [1]

Visit of Japanese Prime Minister Nakasone

THE PRESIDENT. Nancy and I have been very pleased to have as our guest Prime

[1] Source: White House Press Release, January 19, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of*

Continued

Minister Nakasone and his wife and daughter. These last 2 days have given us the opportunity to get to know the Prime Minister and his family, and to establish the kind of warm personal relationship that is so vital to nations that are as close as the United States and Japan.

The Prime Minister's visit so soon after he assumed office underscores the significance that we both place on U.S.-Japanese relations and our role as leaders of the two industrialist giants of the free world.

Our consultations were friendly and covered a wide agenda of very serious issues, and I am pleased that we have made some imprint on the first steps in the area of trade, something of utmost significance to the economic well-being of both our peoples; to economic health of the Western world; and we are encouraged by the recent commitments to further open Japan's markets.

I am aware of the political sensitivity in Japan to tariff reductions on a number of products as well as to the Prime Minister's decision to conduct a comprehensive review of their standards and certification systems. Yet nothing would better prove to the American people the good intentions of our Japanese trading partners than tangible progress in revising relevant Japanese certification laws and regulations, to remove obstacles that have currently impaired some of our manufactured exports to Japan.

In the area of energy trade between our two nations, we have agreed to establish the U.S.-Japan Working Group on Energy, to actively explore how the abundant opportunities for energy cooperation can be transformed into realities for the benefit of both our countries.

During our wideranging consultations we discussed our intention for extensive and fruitful cooperation in space. I presented the Prime Minister with a plaque containing the flags of our two nations which were flown together on the first flight of the Space Shuttle *Columbia*.

I am pleased to announce today that I have offered Prime Minister Nakasone, and he has accepted, the opportunity for Japanese participation in our shuttle program, including an invitation for a Japanese specialist to be a part of the space lab mission in 1988.

Both the Prime Minister and I look forward to continuing our efforts together in peaceful use of the vast expanses of space. Further, I am encouraged after our meetings, and also by recent positive initiatives taken by the Prime Minister, the Japanese Government is now willing to do more to share in the burden of peace and stability.

This is a responsibility that hangs heavy on the shoulders of all peacelovers, and the Prime Minister has assured me that Japan is committed to increasingly play their part in this crucial undertaking.

My meetings with Prime Minister Nakasone have been excellent both on a personal and a professional level, and I am gratified at the rapport we developed in this short time, and I am confident it will be put to good use in the future.

We have taken the first significant steps towards resolving the urgent challenges which face our two countries. We can now move forward with our 1983 agenda, which seeks mutually acceptable answers to questions, especially in trade, that continue to weigh heavily on our relationship.

We stand as equal partners in the world, and I am convinced that no two nations are more mutually dependent than the United States and Japan. I know the Prime Minister shares this view. Our partnership is so essential, we have a strong obligation to our own peoples, to each other, to insure its continued vitality.

And, again, we have enjoyed and appreciate this visit by the Prime Minister and look forward to welcoming him to our country again for the Williamsburg Summit this spring.

PRIME MINISTER NAKASONE. Thank you very much, Mr. President.

As you may recall, Mr. President, you were the first foreign leader I greeted over the telephone when I assumed the post of Prime Minister of Japan.

Yesterday and today I had frank exchanges of views with you. We discussed issues related to world peace and arms

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Presidential Documents, January 24, 1983, pp. 67-68. The source text is incorrectly dated January 19, 1982. Prime Minister Nakasone visited Washington, January 17-20. The President and the Prime Minister made these remarks at the White House at 9:45 a.m. after a breakfast meeting.

control, and the world economic situation and our bilateral issues.

It is a great pleasure for me that our talks have been fruitful and we could reconfirm our mutual friendship and confidence. You are indeed a man of strong conviction, dedicated to peace. Japan and the United States have the important relations of alliance, having broad economic and cultural ties of mutual reliance across the Pacific, and are dedicated to the cause of freedom and democracy.

Solid cooperation between Japan and the United States is the cornerstone of peace in Asia, the Pacific, and the world. We reconfirmed that both Japan and the United States intend to share responsibilities in the world appropriate to both countries.

Frictions between our two countries can be solved by consultation between us. We are both strong democracies who can do so.

Finishing my friendly talks with President Reagan, I am going back to Japan with satisfaction and confidence. I should like to express my most sincere gratitude for the hospitality extended to myself and my family by President and Mrs. Reagan, particularly for their kindness in inviting us for a breakfast meeting this morning.

I have extended my invitation to President and Mrs. Reagan to visit Japan, and my wife and I look forward to welcome you at a time convenient to both of us.

Finally, I thank the American people of all walks of life for their kindness during my stay.

Thank you very much. (Applause)

Document 482

Transcript of a Press Conference by the Secretary of State (Shultz), Tokyo, February 1, 1983 (Extracts) [2]

Discussions During Secretary Shultz's Visit to Tokyo

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Q. I have the following two questions, both concerning defense matters: when we look at the budget message covering fiscal year 1984 and the defense report issued recently, a tremendous amount of funds is allocated to the defense area. Also there is a matter of collective defense with European countries, South Korea, and Japan. Against this background, the "Team Spirit" military exercise is starting today. North Korea has reacted to this by calling for a state-of-readiness on the part of all its forces. It is the first time North Korea has called for a state-of-readiness of its forces and is treating the situation as if war is on the brink of breaking out.

Now, Mr. Secretary, what sort of comment would you make to this situation? That is the first point.

The second point concerns the defense of the sealanes by Japan. In connection with this ramification of collective defense, we are very much interested and very much concerned with the sealanes defense matter. In this connection, to what level and extent do you think Japan's defense capabilities should be enhanced to meet the expectations that Japan faces from other countries? What do you think would be a reasonable level of defense capability on the part of Japan to discharge its responsibility compared to the present level? That is the second question.

SECRETARY SHULTZ. With respect to the first question, people throughout the world are interested in peace. The United

[2] Source: Department of State Press Release 33, February 2, 1983; also printed in Department of State *Bulletin*, March 1983, pp. 46–47. Secretary Shultz visited Tokyo from January 30 to February 2 while en route to Beijing, Seoul, and Hong Kong.

States and its allies will start no wars. Our efforts to build up our defense forces are efforts to create the capacity to deter aggression. That is our objective. And if our opposition can be convinced of that, perhaps they will even agree with us to reduce the level of armaments. But we know that we must have the strength to defend our interests against aggression and to work with our allies in doing so as well. I think that is the basic point, and it applies whether we are thinking with respect to the Soviet Union, North Korea, what is happening in Cambodia or throughout the world.

With respect to the second question, Japan has set for herself the mission of being responsible for the defense of the airspace of Japan and for the seas around Japan. And I think that is a very appropriate mission, given the fact that Japan is obviously a seafaring nation and depends upon air and sea traffic and movement. It is clear that to fulfill responsibilities in connection with that mission, more needs to be done. How much more remains to be seen. But certainly a greater effort is necessary. And no one disputes that. The question is, how rapidly can this mission be taken up. We applaud the determination that Prime Minister Nakasone has been expressing in this regard.

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Q. Looking at relations between Japan and the United States recently, it seems that trade friction has become less important since Prime Minister Nakasone assumed power. Is it correct to say—I have two questions on this. Is it correct to say that the two countries decided to solve at least part of the trade friction problem through exchange of military technology or through an improvement of Japanese expenditures for defense? The second thing is, what are the trade problems which are still to be discussed and which you have been discussing with Japanese leaders in these days? Thank you.

SECRETARY SHULTZ. There is no tradeoff between an exchange of military technology and the solution of so-called "trade frictions" involving access to Japanese markets or other such things. These are independent matters. Of course, we were all pleased, the President was pleased, at the announcements that Prime Minister Nakasone made before he came to the United States for some additional measures, particularly measures dealing with the processes through which goods from another country get into the Japanese market, and for changing those conditions of inspection and registration and so on. And it has been interesting and reassuring to hear also the sense in which the Japanese in charge have a good sense of the fact that it is not enough to set a policy. There has to be a kind of managerial follow-through to transform a policy statement into an operating reality. And there appears to be a firm grasp of that point and, at least expressed to me, a determination to follow through on it. That will, of course, not be the end of all these frictions, but it will be a great help.

I might say beyond the particulars of whatever trade disputes there are between the United States and Japan, we share a tremendous stake in maintaining the general openness of the world trading system. And that openness is under severe attack by forces of protectionism around the world. I think that it well behooves Japan and the United States together, and along with other countries, to, in a sense, take responsibility for keeping this system open and healthy, because we both have so much to gain as do others around the world.

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Document 483

Address by the Secretary of State (Shultz) Before the Sixth Shimoda Conference, Warrenton, Virginia, September 2, 1983 [3]

Japan and America: International Partnership for the 1980's

Distinguished guests, ladies and gentlemen: The Shimoda Conferences are the most important nongovernmental forum for the discussion of the Japanese-American relationship. These meetings bring to-

[3] Source: Department of State Press Release 330, September 2, 1983; also printed in Department of State *Bulletin*, October 1983, pp. 34–37.

gether a truly distinguished body of experts in the field of Japanese-American relations and people from both countries who care about the future of our partnership. I am pleased and honored to take part today in the Sixth Shimoda Conference—the first to be held in the United States.

As most of you know, Shimoda has a symbolic and historical significance that long precedes these conferences. Formal relations between Japan and America in fact began with the Treaty of Amity, signed in 1854, which opened Shimoda as a port of refuge for American shipping. A few years later a commercial treaty was signed by our first Consul, Townsend Harris, who opened the first American Consulate in Japan—at Shimoda.

Much has changed since then. Both our countries have grown from isolated agrarian societies into major industrial powers actively engaged in the affairs of the world. If Shimoda in 1854 represents the beginnings of communication between us, the Shimoda Conferences today reflect the richness and fullness of our cooperation in the modern era.

I want to say a few words here about the importance of our relationship, the impressive record of our cooperation, and the agenda of common action that is still before us.

It is truly extraordinary that two countries so culturally different, so geographically distant, have forged a partnership as close and effective as ours.

Its importance in the last 30 years can be measured by some economic statistics, which show:

—Japan took about 10 percent of our total exports last year, a larger share by far than any country except Canada.

—We bought 25 percent of Japan's total exports.

—In 1976 our two-way trade already was a whopping $27 billion, but in 1983, it is expected to exceed $60 billion, more than double what it was 7 years ago, and more than triple what it was 10 years ago.

—Our combined Gross National Product now accounts for about 35 percent of the total GNP of the world.

Even more important than the statistics, however, is the recognition on both sides that our ideals and values are fundamentally the same, and that our political, economic, and security interests are fundamentally congruent. We are two great democracies, permanent friends, firm allies, and partners in any number of cooperative endeavors, from mutual security, to aid for developing countries, to medical research. I can tell you that the American people are proud to be friends and allies of modern Japan.

But like all good things, our partnership requires care and attention to maintain it. These conferences, I notice, have often convened during times of stress in the relationship. In 1967, the First Shimoda Conference dwelt on two potential problems then looming on the horizon: continuation of the Security Treaty [4] and the negotiation on the reversion of Okinawa. In 1969, at the time of the Second Shimoda Conference, there was much concern about what many referred to as the textile "war" that had erupted between us. In 1977, considerable attention was given to tentative plans that the United States had for withdrawing our ground troops from Korea—plans that were later dropped.

It is well to remember that stress is not new to this relationship. As some of you may know, Commodore Perry brought with him to Japan a letter from President Fillmore. Like some of the correspondence between the President and the Prime Minister today, its subject was trade relations. When the 1854 Treaty of Amity was being negotiated, the American side was under pressure at home to secure trading rights in Japan. And yes—they found the going pretty tough!

But it is also well to remember that the problems we have faced from time to time in our relationship have been met and solved to mutual satisfaction. Such solutions demand dialog—of the kind so well exemplified by this conference. Undoubtedly there are problems of communication; because of cultural and linguistic differences, there probably always will be. Real dialog is a process of talking *and* listening, and it is clear that this process is increasingly characteristic of our relationship.

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[4] For text of the Treaty of Mutual Cooperation and Security, signed at Washington on January 19, 1960, see 11 UST 1632.

The frequency of our bilateral consultations has expanded enormously in the past few years. When I meet with Foreign Minister Abe during the President's trip to Japan this November, it will be our sixth meeting this year. In November the President and Prime Minister Nakasone will be meeting for the fourth time this year. [5] It was not until 30 years after the end of World War II that an American President first visited Japan. Now, when President Reagan goes to Japan in November, he will be the third consecutive President to do so.

And the dialog is expanding at every level. At our annual Aid Consultations in June, for example, the Japanese side suggested and we agreed that our yearly meetings were not enough to get the job done. Henceforth, we will meet quarterly. The semiannual Japan–U.S. sub-cabinet economic consultations involve nine US departments and organizations, with their Japanese counterparts, in reviews of the full-range of our economic relations.

Nongovernmental contacts are expanding just as fast. I take particular personal interest in the newest of these—the U.S.–Japan Advisory Commission—members of which are here with us today. This Commission has been charged by the President and Prime Minister to look over the horizon and provide ideas and recommendations on the problems and opportunities of the future, and consider how the United States and Japan can cooperate in meeting them. This is an awesomely open-ended mandate, but the Commission has made considerable progress in its first 3 months.

The United States enthusiastically welcomes the expansion of this dialog. It is a reflection of the maturity of the relationship as well as of its scope. It has helped not only to solve bilateral problems, but also to prevent a number of problems from developing at all. Rarely in history have two nations conferred so fully and so frequently on so many subjects.

The very growth of the dialog, however, can raise problems of its own. In an earlier, less complex stage of the relationship, all of its important bilateral issues were addressed by men and women thoroughly conversant with all aspects of the relationship—that is, by experts on relations between Japan and the United States. Today, there simply are not enough of you to go around, either in government or out. The new participants, although they are experts on the specific issues on which they work, do not always have your broad backgrounds or your sensitivity to all facts of the relationship. You must be educators, therefore, as well as pioneers. Perhaps you can help find solutions to this problem, which is a byproduct of your own success.

The real measure of our success is not how much we talk together but what we do together. In this respect, something else very remarkable has happened, which presents us with another, more profound, challenge. An increasing Japanese perception of Japan's global responsibilities; a resurgence of American confidence and of confidence in America; our combined influence on world events; and, indeed, the fact that increasingly what we do bilaterally has worldwide ramification, have turned our partnership into a truly global relationship. We are faced now with unprecedented opportunities, to act as partners on a global scale, and we have an obligation to grasp those opportunities and to use them for the advantage of present and future generations of the entire world.

We must not fail. We will not fail.

Already there are many examples of the good we can accomplish working with one another and with our friends and allies. The United States and Japan are the two largest providers of relief for refugees. In July, Japan's Ministry of Foreign Affairs announced its intention to provide nearly $9 million worth of *American* wheat to *Afghan* refugees in *Pakistan* through the *World Food Program*. This generous gift is but one of many that both countries make throughout the world frequently. The Japanese have provided Afghan refugees with over $41 million in assistance since 1979.

In the strategic Persian Gulf, whose security is vital not only to Japan and the United States but equally to our European allies, Japan's role today is already far more important than commonly realized. Indeed, Foreign Minister Abe has just returned from a highly constructive mission to Iran and Iraq. Egypt, Turkey, and Pakistan are three key countries close to the Persian Gulf region whose stability is criti-

[5] In addition to meeting with Prime Minister Nakasone in January (see document 481), President Reagan met with him at the White House on May 27, and both attended the Economic Summit Conference, May 28–30, at Williamsburg, Virginia.

cal to the security of the Gulf itself. Yet they are not wealthy oil exporters, and they confront formidable economic problems. Significantly, Japan gave more economic assistance to Pakistan last year than any other donor in the world, including ourselves; more economic assistance to Egypt than any European donor; and more economic assistance to Turkey than any European donor except Germany. Japan has thus assumed, largely within the space of the last 5 years, a major role in the stability of a vital region, a role that reflects both Japan's growing assumption of global responsibilities and the contribution that Japan can make to strengthening global stability.

Other examples of political cooperation come to mind. On the problem of Kampuchea, our two countries not only have provided substantial relief for Khmer refugees but also have opened new opportunities for consultation with other concerned nations, particularly the ASEAN nations, on the continuing crisis in Indochina. Japan's decision to withhold economic aid from Vietnam until all Vietnamese troops withdraw from Kampuchea has helped to make the dialog with ASEAN a fruitful one. America and Japan also share a common goal in promoting China's modernization and in encouraging China's constructive engagement in Asia. The recent Japanese economic aid to the Republic of Korea and the steady improvement in Korean-Japanese relations are contributing significantly to the stability of Northeast Asia.

Japan's more active foreign policy is contributing significantly to efforts to control and reduce nuclear weapons. At the Williamsburg Summit, Japan joined with the other industrial democracies in a common position on theater and strategic nuclear weapons and the effort to reduce them. Together we have made it clear to the Soviet Union that an agreement on intermediate-range nuclear forces that shifts the threat from Europe to Asia is unacceptable; limits on these systems must be global if they are to be meaningful. The growth of Soviet military power in Asia leaves us no alternative. For the Soviets are increasing their Asian deployments of nuclear weapons and are continuing to build up their naval and ground forces well beyond the maximum conceivably necessary for defense. President Reagan, therefore, has dedicated his administration to the goal of reducing nuclear weapons in negotiations with the Soviet Union. We have consulted closely and continually with the Japanese Government. Japan's views and advice on our arms reduction initiatives are highly valued.

Our cooperation, of course, extends to many other areas, including medical research (particularly cancer research), energy, technology transfer to developing countries, controlling strategic exports, and more. Altogether it is an impressive record.

But history never stops. as we face the future—as mature partners now on a global scale—a number of essential tasks remain on our agenda.

First, we have a responsibility to reaffirm by our actions our commitment to free trade. At Williamsburg, our countries committed themselves to halt protectionism as recovery proceeds and to reverse it by dismantling trade barriers. The strength of Japan's economy clearly allows for further action now with respect to important trade restrictions that remain, such as agricultural import quotas and the de facto limitation of major areas of government procurement to domestic firms.

I recognize that such farsighted actions are not easy or without cost. But the value of the open trading system is immeasurable—to Japan above all—and, correspondingly, the damage should it break down would be immeasurable. Responsibility for the trading system is a shared one. Although we experience occasional setbacks, President Reagan's recent decision on numerically controlled machine tools stands as an example of his administration's dedication to maintaining the free trading system.

Recently, the Japanese Government has taken several important steps to reduce trade barriers in order to increase access and give more equal treatment for foreign goods in Japan. We welcome these steps. We encourage Japan not only to put them into effect expeditiously but also to pursue other measures for opening markets, for this will reduce serious stresses in our relationship. We would urge Japan, for example, to act promptly to carry out the simplifications of standards and certification procedures recently enacted into law. In anticipation of liberalized access to Japanese markets, the Reagan administration, for its part, pledges to continue to oppose protectionist measures in the Congress.

A second important task for the future is to work together and with the other major industrialized countries to create the conditions for a more stable international monetary system. This also was a commitment at the Williamsburg Summit. Many in both our countries are worried that current exchange rates do not accurately reflect the relative trade competitiveness of our two economies. In fact, exchange rates in today's highly interdependent world reflect more than trade relationships. The relative conditions in our whole economies, and resulting international flows of capital, now determine these rates.

Last spring our governments agreed that bringing about greater convergence in economic performance was the essential prerequisite for greater exchange rate stability. Closer convergence of performance will also help assure that exchange rates more accurately reflect the real comparative advantages of our economies.

We both have some work to do here. The United States needs to work harder to reduce its budget deficits and to bring down interest rates. Japan needs to nourish its still-modest recovery, for recovery will enable Japan to use more of its impressive savings at home. There is one important error we must both avoid: Anxieties over the yen–dollar rate must not lead us to take actions, such as new restrictions on trade, for such restrictions would only make matters worse.

A third task facing us is to help in the development of the less developed economies of the world. Both Japan and the United States have a vital interest in this. At Williamsburg we agreed to work for new trade liberalization negotiations in the General Agreement on Tariffs and Trade, with particular emphasis on expanding trade with developing countries. No single action could contribute more to the long-term economic well-being of the developing world. Growing and stable economies in the developing world provide the essential basis for the growth of democratic political institutions, the flourishing of which throughout the world is unquestionably of prime importance to both Japan and the United States. Our two countries are now actively studying how to coordinate our foreign assistance programs. We applaud the efforts Japan is making to open its markets more fully to the products of developing countries.

A fourth task for the future is to respond to other opportunities for cooperation throughout the world. Often, this can be accomplished through such institutions as the Organization for Economic Cooperation and Development, the General Agreement on Trade and Tariffs, the International Energy Agency, the International Monetary Fund, the World Bank, and the regional development banks. But in addition, we must be prepared to coordinate directly, as we have in the past. Our responses—along with others—to the invasion of Afghanistan and to martial law in Poland provide good examples.

Finally, our efforts in the field of mutual security require continuing attention. Japan has made significant progress toward strengthening its capabilities for self-defense. We must both do more to quicken our pace in fulfilling the roles and missions we have each adopted. In this regard, the Japanese have stated as a matter of policy that they will undertake to defend the sea lanes to a distance of 1,000 nautical miles from Japan. When Japan is ready to perform this mission, it will provide a credible deterrent to Soviet adventurism in northeast Asia; and it also will allow us more flexibility in responding to emergencies in the Southwest Pacific and Indian Oceans that affect our mutual interests.

The message I want to leave you with today is that our current problems, including those in the trade field, should be viewed in the perspective of other problems we have met and solved over the years. But above all, they must be viewed in the perspective of our common goals. The problems are serious, and they may even be more complex than those we have solved before. But for all our cultural differences, our sense of shared values and interests is also deeper than in the past. This is why I am confident that our two countries have the political will to resolve these difficulties. This is all the more essential as our relationship has grown beyond the bounds of the bilateral and become global in scope.

There are farsighted, dynamic leaders in both of our countries who are addressing these challenges—challenges on the frontiers of scientific research in biomedicine, energy, seismology, geothermal physics, weather, and other sciences; in the enhancement of global stability and prosperity; in spreading and cultivating the

growth of freedom and democracy throughout the world. The opportunities are almost unlimited. But in both our countries—since we are democracies—forward-looking policies and closer cooperation depend on broad public understanding. It would be a tragic irony if the very democratic system that unites us morally were also to prove our political undoing. We must look to you, therefore, the distinguished participants of the Sixth Shimoda Conference—and to all concerned citizens—to help nurture that broad public understanding and support.

If Japan and the United States maintain and strengthen their partnership, as they should, the 1980's can be a period of great achievement. If we act wisely, and with foresight, we can assure our common prosperity, security, and freedom. Not every generation has such an opportunity. Not every generation has such a responsibility.

I thank you for your participation in this endeavor.

Document 484

Transcript of a Press Conference by the Secretary of Defense (Weinberger), Tokyo, September 25, 1983 (Extracts) [6]

Secretary Weinberger's Visit to Japan

Good morning, ladies and gentlemen. I have a short statement I would like to make and then I will be glad to try to take your questions. First of all, it's a great pleasure and privilege to be back in Tokyo and to be so very warmly and hospitably received as my party has been.

We have, I think, with the Williamsburg Summit come to view and perhaps that even will be viewed as a watershed in the U.S. Government's formal recognition of the significance of the Pacific Basin and the critical importance of United States and Japanese relations in that whole theater. Indeed, the economic center of gravity of the world is rapidly shifting to the Pacific.

The wealth of that whole Pacific Basin is contained within a huge area within which the Soviet Union maintains very large military forces, growing military forces, very large land forces and only one of her naval fleets that is larger in numbers than the entire U.S. Navy. The enormous expenses which the Soviets have incurred in the 1960's and 1970's to achieve these force levels testifies to their recognition of what is at stake in this whole area.

The growing United States-Japanese cooperation, which is so vital to both of our countries, will help to ensure that this Pacific Basin will remain stable and at peace and allow this prosperous area to remain free for all to use.

Earlier this month, in the skies just north of Japan, a civil airliner was shot down and its 269 passengers became victims of the paranoia of a corrupt governmental system which occupies Japanese territory illegally. Without the U.S.-Japanese Treaty of Mutual Cooperation and Security, all of Japanese territory would be subject to Soviet blackmail and, indeed, the whole Pacific Basin would shortly be in that condition.

The best defense against this growing and continuing threat is for Japan and the United States both to increase their defensive military strength. Japan's self-defense efforts can play a significant role in the defense of this region and the central thrust of our administration in Washington, has been to see a rational division of labor among the United States, our NATO Allies and Japan. And the joint communiqué of 1981 [7] affirmed—for the first time—the appropriateness of our Japanese-American defense burden sharing.

The self-chosen, the appropriately chosen, roles of territorial defense, protection of neighboring seas and skies and defense of the sealanes out to a 100 miles are roles endorsed by the United States, endorsed by the Japanese Government and chosen by them and by Japan's friends. And achievement of this capability by Japan will provide far greater Japanese local security and will also aid global sta-

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[6] Source: *Public Statements of Secretary of Defense Wanberger, 1983*. Secretary Weinberger visited Japan prior to his visit to China, September 25–29, 1983.

[7] For text of the Joint Communiqué of May 8, 1981, issued by President Reagan and Japanese Prime Minister Suzuki, see *American Foreign Policy: Current Documents, 1981*, pp. 985–987.

bility by complicating the task of our potential adversary.

As I prepare to leave for Beijing, I leave confident that the Japanese-American partnership which is a strong partnership and which is critical to the prosperity and stability of the Pacific Basin, will endure, will grow and will strengthen, and that our cooperation is welcomed not only by Japan and by the United States but by the majority of the Asian nations—including those that I will visit on this trip. I will be glad to try to take your questions.

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Q. Did you talk at all about the 6.88 percent ceiling that has been imposed on increases in defense expenditures for the FY 1984 budget in Japan?

A. Yes, we discussed that subject. And again, I was advised that this is not a final figure in the Japanese budget process. I made the point that we appreciated the efforts that had gone into securing this as at least a preliminary figure, in view of the fact that other ministries are receiving reductions in their appropriations. And I made the point again which we all know and are all thoroughly familiar with—that the Japanese self-defense goals are very appropriate, and that this sum, while an increase, and while it does not include salaries, as I understand it, as our budgets do, still will not enable Japan to achieve the self-defense goals as early as may be necessary by world events. I found no disagreement whatever with this, but obviously they have the same problems we have, the difficulties of adequate defense expenditures in a period of recession and with a number of other competing ministries.

Document 485

Report by the U.S.–Japan Advisory Commission Submitted to President Reagan and Prime Minister Nakasone, October 18, 1983 [8]

The Conduct of U.S.–Japan Relations

Since its establishment in May of this year, the Advisory Commission has held two joint meetings (June 21–22, and September 1) as well as separate meetings of the members from each country. We have outlined a program of work on a broad agenda of bilateral and multinational issues. We will be reporting to you as we reach conclusions, but would like at this time to share with you some of our preliminary thinking on the general direction of the partnership.

The Importance of the Relationship

The basic national interests of Japan and the United States are highly complementary. Both nations share political and economic institutions based on democratic and free-market principles, and both face similar kinds of issues associated with mature industrial societies. No two nations have a greater stake in a prosperous and peaceful world. There are not two countries from whom international leadership is more needed. By working together more effectively Japan and the United States will be far better able to promote their complementary interests than they can individually.

On the one hand, the political and economic stability of virtually every quarter of the globe affects the well-being of our two countries. At the same time, there can be

[8] Source: Department of State files. David Packard, U.S. Chairman of the U.S.–Japan Advisory Commission, met with Secretary of State Shultz on October 18, 1983, to convey the Commission's initial recommendations on the conduct of U.S.–Japan relations. The Commission, consisting of seven private citizens from each country, was established in May 1983 by the President and Prime Minister Nakasone to offer advice on current issues concerning both countries and to address how they could better fulfill their long-term world responsibilities. The report was presented to Prime Minister Nakasone by the Japanese Chairman, Ambassador Nobuhiko Ushiba.

no effective solutions to global issues, ranging from the problems of developing nations to coordinated East-West policies without harmonization of approaches by the United States and Japan, accounting as they do for 35 percent of global product.

For this reason, the members of the Commission are concerned that surveys and other data suggest that although there remains a strong core of friendship, persistent bilateral friction, aggravated by the recessionary conditions of the past several years, has been eroding the sense of public goodwill in both countries. Bilateral issues have come to be cast in sharp confrontational terms as if what is of benefit to one country must necessarily be a loss to another. These issues have obscured the growing scope and intensity of U.S.-Japan cooperation, which has become an almost daily fact of life in all spheres—government as well as private-sector relationships.

There are some in both countries who use the other as a "scapegoat" for problems whose roots lie elsewhere. For example, Americans should not blame Japan for trade-performance problems which reflect unrealistic American policies or a failure of the U.S. to adjust to a more competitive world trading environment. There are many measures which the U.S. itself needs to take to stimulate productivity and remove burdensome overregulation that reduces the international competitiveness of American industry. Similarly, Japanese should not blame the United States for Japan's need to adjust its traditional approaches to foreign trade and international security. Japan's past policies reflect a different international economic and security environment, and Japan needs to adjust its policies for reasons of its own national interest.

As economic ties, political consultations, and other contacts between Japan and the United States have expanded, the "management" of the relationship has become more complicated. Both sides have had to adjust to new roles in the international community—Japan to a role more appropriate to its economic power and the United States to a role emphasizing shared global leadership. An expectation gap has developed as each country has placed new demands on the relationship over and above accustomed areas of contact and cooperation. The process of adjustment and defining new modes of cooperation can itself generate friction.

Consequently, we believe that the most important outcome of your November meeting will be the affirmation of our positive partnership. The overriding theme of U.S.-Japan relations should be that of friends sharing similar problems and interests, and working together. As a longer-term vision, we see our countries sustaining the closest cooperation; our common interests far outweigh the areas of disagreement. In our judgment, your previous meetings have helped build a fresh sense of understanding and collaboration at the summit which will be further consolidated with the forthcoming visit.

Trade and Investment

The growing bilateral trade imbalance is one of the most difficult—and certainly the most visible—political problems in the bilateral relationship. For better or for worse the trade-balance will be seen as a barometer of the health of our trading relationship. The bilateral merchandise trade imbalance is part of a broader pattern of multilateral flows in goods, services, and capital, and to try to artificially establish a bilateral trade balance could result in a net economic loss to both countries.

Nevertheless, an imbalance of the current magnitude, against the backdrop of high unemployment in the U.S., has caused deep concern, resentment, and alarm in the United States. During the past eight years, Japan's exports to the U.S. have increased at a rate of 16 percent a year, while U.S. exports to Japan have only grown 9 percent. There are no signs that this trend is being reversed. To preserve and strengthen the overall U.S.-Japan relationship, it is essential the growth of the bilateral trade imbalance be brought under control. Vigorous action and visible results in both countries—by governments and by the private sectors—are essential. We would stress the following priority areas:

Exchange Rates

The exchange value of the dollar and the yen has become an extremely important factor in the competitive position of industries of Japan and the United States, as well as a difficult political problem for both countries. The current rate for the dollar reflects in large part the nature of the macroeconomic-policies of the two governments resulting in a high differential in interest rates and attracting the flow

of capital toward the dollar. Although the revenue, spending, and monetary policies of the two countries primarily depend on domestic priorities and pressures, neither the United States nor Japan, as the world's two largest economies, can ignore the implications of their economic policies on the rest of the world and their relations with each other. It is essential that the governments of both countries give high priority to actions to bring the yen and dollar into better balance and to get the growth in the bilateral trade imbalance under control.

Trade and Competitiveness

The United States and Japan are both committed to sustaining the world trading system on the basis of GATT principles. In view of Japan's global trade surplus, Japan has a special responsibility to continue its efforts to liberalize market access. Since December 1981, Japan has announced several trade packages further to open the Japanese market. The recently enacted changes in Japanese laws governing standards and certification are a significant step in the market-opening process; Japan should continue expeditiously to implement these measures. The Prime Minister's appeal in December 1982, directed at stimulating import consciousness, is regarded by the Commission as especially important. To avoid further erosion of the relationship, it is essential to put force behind these measures so that the needed visible results can be achieved.

United States industry for its part has a responsibility to continue efforts to improve productivity and strengthen U.S. competitiveness in world markets. This subject warrants the greater attention it is being given in the United States.

We have had extensive discussion of auto restraints, recognizing it is an important current issue. We understand it is receiving attention at appropriate levels and hope for an outcome that will serve our mutual long-term interests.

Investment

Direct investment which facilitates the flow of goods, capital, technical information and managerial skills between the two economies is important in strengthening the economic relationship. To this end, the United States and Japan must assure their foreign investors that direct foreign investments will be encouraged. Laws and practices limiting the free flow of investments, such as the unitary tax method applied by certain states in the United States and Japan's prior-notification requirements for foreign investors, are damaging.

Private Sector Consultations

The United States–Japan Businessmen's Conference has found that the organized study and exchange of views on sectoral issues among the businessmen in the industries involved can be useful in identifying and evaluating problems, narrowing the scope of differences, voluntarily promoting fair trade, and providing recommendations which can be the basis for constructive government action. We believe such industry-to-industry discussions, consistent with the national laws of both countries, should be encouraged.

Strengthening the World Trade System

The GATT system was established on the assumption that international agreements on tariff and non-tariff barriers could promote economic growth through the expansion of an open trading system. In today's world of more diversified competition, the United States and Japan should work closely together to update and further develop the system of international trade rules and regulations, for example, in such areas as agriculture, safeguards, and services. Where multilateral agreements cannot readily be reached, Japan and the United States should provide a model in their international trading relationships.

Agricultural Trade

Agriculture deserves special mention. Focus on a few agricultural issues has obscured the enormous benefits of agricultural trade to both countries. American farmers depend significantly on the Japanese market, now amounting to almost $6 billion in sales, while Japanese consumers and farmers rely on the United States for a substantial portion of their supplies of food and feedgrains.

We believe that there are opportunities to resolve agricultural trade issues in a manner that contributes to the long-term economic health of the agricultural communities of both countries while serving consumer interests. Inflexible formulas are neither desirable nor politically feasible. For example, the United States should recognize the importance of rice cultiva-

tion to Japan. Agricultural trade issues should be resolved in a manner compatible with the overall goal of promoting freer world trade and controlling the growth of the bilateral imbalance.

INTERNATIONAL SECURITY

The Advisory Commission will be examining the long-range security relationship between the two countries, seeking means of improved cooperation. Pending recommendations on this subject at a later time, we would like to share with you some of the lines along which we are thinking.

We believe that security must be examined in its broadest context—not just protection against military threats to be sure, but also changing political and economic conditions that affect international peace and stability. Both countries have important international responsibilities to consult about such conditions and to maintain close cooperation in formulating policies of mutual benefit. Such policies include foreign assistance programs, mediation efforts, and coordinated positions on some political issues, and defense cooperation in the context of the U.S.-Japan Mutual Security Treaty, consistent with the geostrategic circumstances of our two nations. We must avoid paying homage to constructs that may have suited the world of the 1960's and 1970's to the extent they are no longer appropriate to the world situation that will confront us in the 1980's and 1990's. It is our intention to assess our interests in the decade ahead in formulating concrete recommendations, taking into account such developments as the growth of Soviet military power, diffusion of political power, and new sources of instability in the third world.

We are encouraged by Japan's more active role in international diplomacy, including arms control. Japan's voice should be heard in appropriate forums. Each nation, Japan and the United States, should pay close attention to the interests of the other in formulating its policies.

We see much value in further promoting cooperation in defense technology, an area we will be examining in detail. Superior technology has enabled free countries to maintain a deterrent with less manpower and a relatively lower defense burden than the Soviet Union. The sharing in the development of defense technology, consistent with our respective defense policies, can reduce costs and improve the quality of technology, benefiting the security and economic interests of both nations.

Finally, we would note that there are a number of other significant areas where there is potential for solidifying our partnership. We call attention to one or two of these:

—*Energy:* Long-term energy collaboration would constitute a vital element in advancing U.S.-Japan ties and interdependence into the next century. We believe the two governments should use the opportunity provided by the current period of relatively plentiful energy supplies to encourage cooperation in the development of new sources when demand exceeds existing contractual arrangements.

—*Science and Technology:* Along with the freer flow of goods and capital, scientific and technological development has been one of the mainsprings of the unprecedented progress of the postwar period. The United States and Japan have had a long-standing, fruitful cooperative relationship embracing virtually all forms of scientific and technological research. Continuation of this relationship offers a promise for increasing benefits for both countries and opportunities for constructive collaboration with the third world. Existing agreements should be reviewed to assure they are in keeping with the times and reflect the changing balance in the scientific and technological capabilities of the two countries.

We hope these preliminary thoughts of the Commission will prove useful. We wish you every success for a meaningful Tokyo meeting and pledge our continued efforts to contribute to better relations between our countries.

Document 486

Transcript of a Press Briefing by the Secretary of State (Shultz), November 3, 1983 (Extracts) [9]

President Reagan's Visit to Japan

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Q. Mr. Secretary, do you feel that the security issues now will take precedence over the trade and economic issues because of Rangoon and because of KAL 007?

SECRETARY SHULTZ. There are important security issues in our relationship with both Japan and Korea. They certainly have been underlined by the Korean Airline massacre and by the Rangoon atrocity. And obviously those security matters will be discussed; economic matters will be discussed. I might say there are a tremendous number of important subjects around the world on which we have strong mutual interests with both countries. Just to take an example, without trying to hold it out as the most important, but just as an example, the relationship of the flow of oil supplies to the Iran–Iraq war concentrates our attention and concentrates the Japanese attention on that subject. I am sure that is one among many international subjects that the President will be discussing. That is just an illustration.

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Q. Mr. Secretary, do you anticipate this trip will help encourage the Japanese to take more of a role in their own security and the security, the joint security of the Far East?

SECRETARY SHULTZ. They have set out certain objectives and a mission, you might say, for themselves. And we agree with what they have set out for themselves involving their own self-defense and the defense of the sea lanes around Japan. And we encourage them to develop the capacity to fulfill that mission. So that is an important thing as they see it, and we agree.

Obviously security problems are dramatized, not only by the events in the earlier questions, but such things as the very large deployments of SS–20's in Asia. And everybody is noticing that more and more.

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Q. Mr. Secretary, you said that Japan—that we agreed with Japan's objectives, security objectives, their broader objectives, but their proposed budget, which goes into effect, I think, in March, is for a 6.8 percent increase, which is not large enough to meet those objectives. So the question is, will the President either privately or publicly make any inference that they have to do more, and what is the effect of the December elections in Japan on the security commitment?

SECRETARY SHULTZ. We will be discussing our agreement with the mission that they have set out and our feeling that, obviously, they want to take the steps necessary to be able to carry the mission out and that's what they say, that's what we say. How rapidly you're able to get to an objective you have is always an issue. The Japanese are going about it in, I think, a positive way, but I'm sure the subject will be discussed.

Q. Because of the elections and Nakasone's vulnerabilities, will the President have to be more cautious about raising some of these issues?

SECRETARY SHULTZ. Well, I don't want to make any comment about the internal Japanese political situation. Prime Minister Nakasone is the—he's the Prime Minister, where—this will be the fourth time this year, incidentally, the President will have met with Prime Minister Nakasone. It's an ongoing process and relationship, and we are there to talk about substantive matters of great interest, and I might say, almost a sense of partnership in many respects with the Government of Japan, and that's the object of the trip.

The Japanese politics is a different issue entirely and that's a strictly Japanese set

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[9] Source: Department of State Press Release 386, November 7, 1983. Secretary Shultz gave the press briefing at the White House at 3:37 p.m. President Reagan was scheduled to visit Japan, November 9–12, 1983, and Korea, November 12–14, 1983.

of issues, and we have no comment to make on them.

Q. How much discussion do you expect there will be of trade and economic issues and, specifically, issues like the yen–dollar relationship, which have been a problem?

SECRETARY SHULTZ. There undoubtedly will be considerable attention devoted to economic issues. It's very important to the Japanese and it's very important to us. The yen–dollar relationship is, I think, a very significant aspect of this and, in particular, the relationship of the present relative values to large-scale capital movements. I think, as sort of the heart of the problem analytically, and therefore at the heart of the problem operationally. So, somehow, actions in the area of capital markets and capital flows and openness in capital markets I'm sure will come in for a lot of discussion. It's a very important set of points. But it is not sort of unique that there'll be a discussion here. This is an ongoing matter and the Treasury and Japanese Finance Ministry have had lots of discussions about this and I am sure will continue to do so. The subject has gotten a lot of attention in the U.S.-Japanese Advisory Committee—this high-level private group that's been appointed by the Prime Minister and the President.

That group has made a report [10] to the President and the Prime Minister, and so we have some input from the private sector there. David Packard, as you know, is the U.S. chairman.

Q. Mr. Secretary, can you give us some reading on what the speeches the President will give to the Diet and National Assembly—what the theme will be or what he hopes to accomplish—

SECRETARY SHULTZ. Well, it's a great privilege, of course, to be invited to speak to the Diet or National Assembly—the congress of another country—and the President views it that way and he will be expressing the U.S. view of the relationship and our views of the world situation generally. But, as for previewing the speech, I think we'll wait till we get a little closer to it in any detail.

There was a followup question over here—

[10] *Supra.*

Q. Now that the Japanese have agreed—or at least we've agreed to allow them to increase their quota of imports on foreign cars, [11] are we going to go to Japan and demand that they open their markets up to more U.S. exports?

SECRETARY SHULTZ. Well, there has been a long dialog between Japan and the United States about opening Japanese markets to our products. And there have been a lot of steps taken, and we believe that there are a lot more steps that should be taken. And, as I said, this is all part of a process—it's a continuing process.

As far as the auto restraints are concerned, of course those are voluntary restraints undertaken by the Japanese. It's not any quota imposed by the United States. They're voluntary restraints by the Japanese, and that's a restraint of flows into our market and not anything to do with their market as such.

Q. But is there going to be any reciprocal demand by the President?

SECRETARY SHULTZ. The President will be discussing these economic issues with the Prime Minister, I'm sure. But he is not inclined to use inflammatory language like you used. (Laughter)

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Q. You said that there were a number of steps that you'd still like to see the Japanese Government do in terms of opening up their markets more. Could you mention some of those steps and in particular, if the yen–dollar problem is as severe as you and other Government officials have said, what would you like the Japanese to do, specifically?

SECRETARY SHULTZ. My opinion is that the particular areas to work on on the yen–dollar are capital market measures. And there is a great, extensive list of possibilities that have been developed to

[11] On November 1, 1983, International Trade and Industry Minister Sosuke Uno issued a statement, after conferring with U.S. Trade Representative William Brock, which announced that Japan would limit car exports to the United States in fiscal year 1984 to 1.85 million units, an increase from 1.68 million units in fiscal year 1983. For text of the statement, see Foreign Broadcast Information Service, *Daily Report: Asia & Pacific*, November 1, 1983, p. C2.

some extent in the Treasury and to some extent out of discussions between our Treasury and the Japanese Finance Ministry and, also, that have been suggested to us by various private groups in this country. The U.S.-Japan Advisory Committee has weighed in on the subject. So there are a great many ideas that are around. And the subject is in the process of being identified as very important. And things to be done about it are getting identified. And I think, as we go on here, we'll start to see things happen more and more in this area.

As far as specifics are concerned, I think you can dig out long lists of things we care about, involving various commodities and types of manufactured goods and so forth. And I don't need to just go through that list.

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Document 487

Statements by President Reagan and Japanese Prime Minister Nakasone, Tokyo, November 10, 1983 [12]

Strengthening of the U.S.-Japan Partnership

PRIME MINISTER NAKASONE. For the people and Government of Japan as well as for myself it is indeed a great pleasure to welcome the President of the United States of America and Mrs. Reagan as State guests.

Yesterday and today, the President and I had very productive meetings covering a wide range of subjects. Through these meetings, we reconfirmed the importance for Japan and the United States, two countries sharing the common ideas and values of freedom and democracy of promoting further cooperation toward peace and prosperity of the world.

The President has a clear recognition of the importance of the Asian and the Pacific region. His present visit to Japan and Republic of Korea and his planned visit to China next year amply testify to this fact, together with his visit to the countries in Southeast Asia, which I'm sure will be rescheduled in the future. The economic dynamism in the Asian and Pacific region is one of the central elements in the expansion of the world economy. Thus, the President and I are in full agreement that we should continue to make efforts for the further development of the Asian and the Pacific region.

Mr. President, I issued on November 1st the Tokyo Statement jointly with Chancellor Kohl of the Federal Republic of Germany in line with the spirit of the political statement adopted at the Williamsburg Summit in May this year declaring that we should maintain the unity and solidarity among the western countries in our joint endeavor in pursuit of freedom, peace, and stability of the prosperity of the world economy and of the development in the Third World.

As I know the recent events of increasing tension in the East-West relations, as well as frequent occurrences of regional disputes and violence in various parts of the world, I am worried that the peace in the world could be gravely threatened if such trends continue and amplify themselves. Under such circumstances, I firmly believe that the countries of the world should renew their resolve for the maintenance of freedom, peace, and stability for the revitalization of the world economy and for the world prosperity of the peoples of the world.

I, further, believe that the rational dialogs and negotiations should be conducted to solve such international conflicts and disputes, and that the parties concerned should spare no effort in taking step-by-step measures or gradual approach in pursuits of ultimate goals, and should carry on steady and realistic endeavors. This I consider is particularly pertinent to the arms control negotiations.

The Western countries should stand firmly in unity and solidarity for freedom and peace, and should not hesitate to bear any hardships in upholding this cause. All these points are included in the Tokyo

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[12] Source: White House Press Release, November 10, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, November 21, 1983, pp. 1554–1557. The statements were made in the auditorium of the President's official residence beginning at 2:35 p.m.

statement. It is, indeed truly significant, Mr. President, that you have fully endorsed this statement in our meeting.

The President and I had exchanges of views on East-West relations with emphasis on the question of arms control and on the situation in such areas as Asia, the Middle East, and Central America. With regard to the INF negotiations in particular, it was reconfirmed that the negotiations should not be conducted at the sacrifice of the Asian region, but should be conducted on a global basis, taking the Asian security into consideration.

With respect to the recent bombing in Burma, the very act of terrorism, we agree that it should be strongly condemned as an inexcusable conduct in challenge of world peace and order and that continued efforts must be made to bring about lasting peace and stability on the Korean peninsula. On the Middle East, I expressed my deep appreciation for the role played by the multinational forces for stabilizing the situation in Lebanon.

The Japan-U.S. security arrangements are the foundation of the peace and security of Japan and the Far East. I wish to express that Japan will continue her efforts towards further strengthening the credibility of the Japan-U.S. security arrangements. With respect to the improvement of our defense capability, I wish to make further efforts along the lines of the Joint Communiqué of May, 1981.

As to the international economy, the President and I reconfirmed—in line with the Declaration of the Williamsburg Summit—the importance of obtaining sustained, non-inflationary growth of the world economy, of rolling back protectionism, and of lowering the prevailing high interest rates. We consider them important, together with extending financial cooperation, in order to alleviate the plight of the developing countries, which are suffering from accumulated debts.

With regard to bilateral economic issues, we acknowledge the achievements made thus far and agree to continue our efforts for the solution of the remaining issues. In this context, I highly appreciated the pledge by the President to combat protectionism in the United States. The President and I are in full agreement on the importance of the yen-dollar issue. We have agreed on establishing consultative fora on exchange rate issues and investments. In this connection, I asked for continued U.S. efforts to lower U.S. interest rates.

The President and I have also underscored the importance of greater two-way investment flows between our two countries and I expressed my concern that the unitary method of taxation is becoming a serious impediment to the Japanese investment in the United States. I stressed the importance of promoting the preparations of a new round of multilateral trade negotiations in order to consolidate the free trading system and to inject renewed confidence in the world economy. I am very glad that the President has strongly supported my view. We intend to call on other countries to join in our efforts.

Mr. President, in the present international situation, you are shouldering enormous global responsibility. I will, on my part, make as much contribution as possible to the peace and prosperity of the world. Thank you very much. (Applause)

THE PRESIDENT. On behalf of the American people and our government, I would like to thank His Imperial Majesty the Emperor, Prime Minister Nakasone and the government and people of Japan for the generous and warm reception that you have extended to my wife Nancy, myself and my staff during our trip to your country.

Prime Minister Nakasone [and I], as you've been told, have just completed 2 days of very productive discussions on a wide range of bilateral issues and global affairs. As leaders of two great Pacific nations, we're guardians of a strong, rich and diverse relationship. Japan and America are bound by shared values of freedom, democracy and peace. We're committed to great future cooperation across the broad spectrum of political economic security, educational culture and scientific affairs. I have come as a friend of Japan seeking to strengthen our partnership for peace, prosperity and progress.

I will leave Japan confident that our partnership is stronger than before and confident that we're giving birth to a new era in Japanese-American relations. We have agreed to move forward with an agenda for progress by drawing upon the great well of talent, drive, determination and creativity of our free peoples. We welcome Japan's more assertive role as a fellow trustee of peace and progress in

international, economic and political affairs.

We have discussed global issues and we hold many similar views on opportunities for cooperation. The principles that Prime Minister Nakasone has enunciated as the Tokyo Statement are principles that I fully endorse. Together we have no greater responsibility than to make our world a safer place.

There are serious threats to peace on the Korean peninsula, in the Middle East, in the Caribbean, and over the northwestern Pacific. Also, the attitude on the part of our adversary at the negotiating table on arms talks is at odds with the will of the world to reduce the weapons of war and build a more stable peace.

I conveyed to the Prime Minister my satisfaction that our mutual security relationship is proceeding smoothly. Japan is host to 45,000 American troops and our bases in Japan, made possible by the Treaty of Mutual Cooperation and Security, are essential not only to the defense of Japan, but also contribute to peace and prosperity in the Far East.

As for Japan's defense efforts, the United States remains convinced that the most important contribution Japan can make toward the peace and security in Asia is for Japan to provide for its own defense and share more of the burden of our mutual defense effort.

During our discussions on arms control, I assured Prime Minister Nakasone that we seek global reductions in the Soviets' intermediate-range SS-20's to the lowest level possible.

The United States will take no action in the intermediate nuclear forces negotiations that adversely affects the security of Asia. We agreed on the urgency of achieving consensus on comprehensive international safeguards to prevent the spread of nuclear weaponry.

Prime Minister Nakasone and I discussed Japan and America's compelling international economic responsibilities as spelled out at the Williamsburg Summit. Together we must press for continuing liberalization of the international trade and financial system, fight protectionism, promote economic development without inflation by encouraging the growth of free enterprise throughout the world, and share the obligation of assisting developing countries, including those facing severe debt problems.

We also agreed to enhance coordination in foreign assistance. Trade issues figure prominently in the Japan–U.S. relationship. There is no simple, overnight solution to our trade problems, but we have agreed to exert our best and continued efforts to solve these issues.

We welcome recent actions by your government to reduce trade barriers, and I have emphasized the importance of further measures to open the Japanese market to trade and investment. I didn't come to negotiate specific trade issues, but I did indicate certain issues of immediate importance to us.

Because of both their trade and consumer significance, for example, we are seeking reductions in Japan's tariffs on certain products in which the United States is highly competitive. Japanese quotas on agricultural products are a cause for concern. In return, the United States must combat protectionism in our country, and I have given the Prime Minister my pledge to do so.

Progress in Japan-U.S. trade issues can foster greater trade liberalization efforts worldwide, such as the Prime Minister's call for a new round of multilateral trade negotiations which I heartily endorse. I expressed confidence that the United States can be a reliable long-term supplier of energy, particularly coal, to Japan. And I was pleased that the Prime Minister Nakasone shared this view.

Expanded energy trade will mean more jobs for Americans and greater security for both our countries.

With the approval of Prime Minister Nakasone and myself a joint press statement [13] is being released today by Finance Minister Takeshita and Treasury Secretary Reagan—Regan (laughter)—I tried to get him to pronounce it the other way—on the yen-dollar issue and other financial and economic issues of mutual interest. We agree that the commitments and steps outlined in that statement will further strengthen economic relations between the United States and Japan.

We have noted the importance of the yen-dollar exchange rate, of free and

[13] *Infra.*

open capital markets in each country. We stress the need for closer economic consultations between the two governments. A ministerial-level working group is being set up to monitor each side's progress in carrying out the agreed-upon actions to improve the yen–dollar exchange rate.

Our mutual commitment toward specific steps to achieve open capital markets will allow the yen to reflect more fully Japan's underlying political stability and economic strength as the second largest economy in the free world. In addition, we've agreed to instruct our economic sub-Cabinet members to form a committee to promote mutual investments. But Japan and America began taking those steps together. I've been heartened that beginning with our first meeting, last January, continuing with the Williamsburg Summit and now again during our visit this week, Prime Minister Nakasone and I have agreed that our two great democracies share special responsibilties to each other and to the world. Let us continue to go forward, building on our progress step by step. We must set milestones to monitor the success of our agenda for progress and to assure the follow-through that is essential. And I will be discussing this matter in more detail with the Prime Minister tomorrow.

This visit has strengthened the bonds of friendship between our two great nations. We are now better prepared to work together as partners to build a more peaceful and prosperous future at home and throughout the world. We know what needs to be done, we know how it must be done. Let us have the faith to believe in each other, the courage to get on with the job, and the determination to see it through.

Thank you very much.

Document 488

Joint Announcement Issued by the Secretary of the Treasury (Regan) and the Japanese Finance Minister (Takeshita), Tokyo, November 10, 1983 [14]

Measures To Resolve U.S.–Japan Economic and Financial Issues

Secretary Regan and Finance Minister Takeshita have had a number of candid and cordial exchanges of views in recent weeks on a variety of issues of mutual interest. They have agreed that both countries:

1. Will pursue appropriate monetary and fiscal policies that will promote sustained real economic growth with low inflation, reduced interest rates, and higher productive investment.

2. Will cooperate closely in dealing with LDC debt problems in order to promote effective adjustment on the part of debtor countries and the flow of financing necessary to support those adjustment efforts.

3. Consistent with the understandings reached at Williamsburg with the other summit countries regarding exchange rate policy, will consult more closely on exchange market developments and undertake coordinated intervention to counter disorderly market conditions.

In addition, both Ministers agreed that open, liberal capital markets and the free movement of capital are important to the operation of an effectively functioning international monetary system.

Minister Takeshita stated that the Japanese Ministry of Finance will assure the prompt and thorough implementation, following due procedures, of the measures listed in the "Comprehensive Economic Measures" of October 21, 1983, which would further liberalize Japan's capital markets, internationalize the yen, and allow the yen to more fully reflect its underlying strength. In particular, the Ministry of Finance announced its decisions to:

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[14] Source: Department of the Treasury files, November 10, 1983.

—Eliminate the real demand rule in forward exchange transactions, effective April 1, 1984.

—Submit a bill in the next ordinary Diet session starting from December 1983, to reform the designated company system, after consultation with agencies concerned.

—Submit a bill in the next ordinary Diet session to enable issuance of foreign currency denominated national bonds abroad.

—Expedite the study concerning establishment of a yen-denominated bankers' acceptance market.

In addition, the Japanese Ministry of Finance announced that it will:

—Seek to lower the minimum denomination of CDs to yen 300 million from its current level of yen 500 million, effective January 1, 1984.

—Seek to enlarge further the ceiling on each bank's CD issues, effective April 1, 1984.

—Ease guidelines on the issue of Euro-yen bonds by residents, effective April 1, 1984.

—In this connection, the withholding tax on interest earnings on Euro-yen bonds held by non-residents will be reviewed, having due regard to maintaining proper taxation including the withholding tax system.

Minister Takeshita also confirmed his policy stance on the occasion of announcing the "Comprehensive Economic Measures" that "we, as one of the major industrial nations, will continue to take positive steps towards the internationalization of the yen and the liberalization of our financial and capital markets."

In reply to questions by Secretary Regan, Minister Takeshita stated that there are no discriminatory restrictions under Japanese laws on the acquisition of Japanese banks by foreign banks. He stated that the banking laws governing acquisitions by foreign banks are identical with those governing acquisitions by domestic banks.

Secretary Regan welcomed the announcement of these measures indicating that they represent significant progress by the Government of Japan in its efforts to liberalize its capital markets and internationalize the yen, and would make an important contribution to the functioning of foreign exchange markets and the world trade and financial system.

In addition, Secretary Regan announced that the U.S. Treasury will:

—Fully take into account the concerns of the Japanese authorities in its review of the issues related to unitary taxation.

—Welcome the issuance of Japanese Government guaranteed bonds in the U.S. market, with or without a currency swap.

—Pursue as quickly as possible a reduction of the U.S. budget deficit through additional measures to reduce government spending.

—Strive for early passage of the legislation enabling the United States to consent to the increase in its IMF quota.

—Attempt to agree with other IDA donors on the next replenishment as soon as possible.

Minister Takeshita and Secretary Regan agreed that further progress on these matters is desirable. To that end, they agreed that the Japanese Ministry of Finance and the U.S. Treasury Department would establish a joint ad hoc group of financial authorities on yen/dollar exchange rate issues. The purpose of the group would be to:

—Monitor U.S. and Japanese progress in implementing the agreed upon measures, and to develop and implement additional steps, such as increasing the use of yen in denominating Japanese exports.

—Strengthen mutual understanding and to establish a common recognition of the current state of the yen/dollar rate and its determinants.

This ad hoc group would be co-chaired by Finance Minister Takeshita and Treasury Secretary Regan, with a working group at the Under Secretary level. The working group will meet by February 1984, and submit a report to the Chairmen by Spring 1984. Minister Takeshita and Secretary Regan agreed to continue to be in close contact on these and other economic and financial issues.

Document 489

Address by President Reagan Before the Japanese Diet, Tokyo, November 11, 1983 [18]

"Japanese-American Friendship Is Forever"

Mr. Speaker, Mr. President, Mr. Prime Minister, distinguished members of the Diet, it is with great honor and respect that I come before you today, the first American President ever to address the Japanese Diet.

I have been in your country only two days. But speaking for my wife, Nancy, and myself, may I say you have more than made us feel at home. The warmth of your welcome has touched our hearts. In welcoming us, you pay tribute to the more than 230 million Americans whom I have the privilege to represent. From all of us—all of them to you we reach out to say: The bonds of friendship which unite us are even greater than the ocean which divides us. (Applause.)

It was a dozen years ago on an autumn day like this one that I first visited Japan and today, as then, I feel energy, initiative and industry surging through your country in a mighty current for progress. And just as before, I am struck by a unique gift of the Japanese people: You do not build your future at the expense of the grace and beauty of your past.

Harmony is a treasured hallmark of Japanese civilization and this has always been pleasing to Americans. Harmony requires differences to be joined in pursuit of higher ideals, many of which we share. When former President Ulysses S. Grant visited here in 1878, he discovered Japan is a land of enchantment.

During his stay, he met with the Emperor and their discussion turned to democracy, the pressing issue of the day. President Grant observed that governments are always more stable and nations more prosperous when they truly represent their people.

I am proud to help carry forward the century-old tradition, meeting first with your Emperor on my arrival and now meeting with you a great milestone in your history: The 100th session of the Diet under the modern Japanese Constitution. In 6 years you will celebrate your 100th anniversary of representative government in Japan, just as we will celebrate the birth of our own Congress. I bring you best wishes and heartfelt greetings from your American counterparts, the Congress of the United States. (Applause.)

One cannot stand in this chamber without feeling a part of your proud history of nationhood and democracy, the spirit of hope carrying the dreams of your free people. Of all the strengths we possess, of all the ties that bind us, I believe the greatest is our dedication to freedom. Japan and America stand at the forefront of the free nations and free economies in the world.

Yes, we are 5,000 miles apart; yes, we are distinctly different in customs, language and tradition; and yes, we are often competitors in the world markets. But I believe the people represented by this proud Parliament and by my own United States Congress are of one heart in their devotion to the principles of our free societies.

I am talking about principles that begin with the sacred worth of human life; the cherished place of the family; the responsibility of parents and schools to be teachers of truth, tolerance, hard work, cooperation and love; and the role of our major institutions—government, industry, and labor—to provide the opportunities and security—opportunities and security free people need to build and leave behind a better world for their children and their children's children.

America and Japan are situated far apart, but we are united in our belief that freedom means dedication to the dignity, rights and equality of man. Yukichi Fukuzawa, the great Meiji-era educator, said it for you: "Heaven has made no man higher or no man lower than any other man."

Our great American hero Abraham Lincoln put it in political perspective for us:

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[18] Source: White House Press Release, November 11, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, November 21, 1983, pp. 1561–1566. The President spoke at 9:35 a.m. in the Assembly Hall of the House of Representatives at the National Diet Building. All brackets are in the source text.

"No man is good enough to govern another man without that other's consent." We both value the right to have a government of our own choosing. We expect government to serve the people. We do not expect the people to serve government.

America and Japan speak with different tongues, but both converse, worship, and work with the language of freedom. We defend the right to voice our views, to speak words of dissent without being afraid, and to seek inner peace through communion with our God.

We believe in rewarding initiative, savings and risktaking. And we encourage those who set their sights on the farthest stars, and chart new paths to progress through the winds and waters of commerce. Others censor and stifle their citizens. We trust in freedom to nurture the diversity and creativity that enriches us all. I like what your poet Basho said: "Many kinds of plants and each one triumphant in its special blossoms." (Applause.)

Finally, our freedom inspires no fear because it poses no threat. We intimidate no one. And we will not be intimidated by anyone. The United States and Japan do not build walls to keep our people in; we do not have armies of secret police to keep them quiet; we do not throw dissidents into so-called mental hospitals; and we would never coldbloodedly shoot a defenseless airliner out of the sky. (Applause.) We share your grief for that tragic and needless loss of innocent lives.

Our two countries are far from perfect. But in this imperfect and dangerous world, the United States and Japan represent the deepest aspirations of men and women everywhere—to be free, to live in peace, and to create and renew the wealth of abundance and spiritual fulfillment. I have come to Japan because we have an historic opportunity, indeed, an historic responsibility. We can become a powerful partnership for good, not just in our own countries, not just in the Pacific region, but throughout the world. (Applause.) Distinguished ladies and gentlemen, my question is: Do we have the determination to meet the challenge of partnership and make it happen. My answer is without hesitation, yes, we do and yes, we will.

For much of our histories our countries looked inward. Well, those times have passed. With our combined economies accounting for half the output of the free world we cannot escape our global responsibilities. Our industries depend on the importation of energy and minerals from distant lands. Our prosperity requires a sound international financial system and free and open trading markets. And our security is inseparable from the security of our friends and neighbors.

The simple hope for world peace and prosperity will not be enough. Our two great nations, working with others, must preserve the values and freedoms our societies have struggled so hard to achieve. Nor should our partnership for peace, prosperity and freedom be considered a quest for competing goals. We cannot prosper unless we are secure and we cannot be secure unless we are free. And we will not succeed in any of these endeavors unless Japan and America work in harmony.

I have come to your country carrying the heartfelt desires of America for peace. I know our desires are shared by Prime Minister Nakasone and all of Japan. We are people of peace. We understand the terrible trauma of human suffering. I have lived through four wars in my lifetime. So I speak not just as President of the United States, but also as a husband, a father, and a grandfather. (Applause.) I believe there can be only one policy for preserving our precious civilization in this modern age. A nuclear war can never be won and must never be fought. (Applause.)

The only value in possessing nuclear weapons is to make sure they can't be used ever. I know I speak for people everywhere when I say, our dream is to see the day when nuclear weapons will be banished from the face of the earth. (Applause.)

Arms control must mean arms reductions. America is doing its part. As I pledged to the United Nations less than two months ago, the United States will accept any equitable, verifiable agreement that stabilizes forces at lower levels than currently exist. We want significant reductions. And we're willing to compromise.

In the strategic arms reduction talks, American negotiators continue to press the Soviet Union for any formula that will achieve these objectives. In the longer-range INF talks, we are pursuing the same course, even offering to eliminate an entire category of weapons. I'm very con-

scious of our negotiating responsibility on issues that concern the safety and well-being of the Japanese people. And let me make one thing very plain. We must not and we will not accept any agreement that transfers the threat of longer-range nuclear missiles from Europe to Asia. (Applause.)

Our great frustration has been the other side's unwillingness to negotiate in good faith. We wanted to cut deep into nuclear arsenals, and still do. But they're blocking the dramatic reductions the world wants. In our good faith effort to move the negotiations forward, we have offered new initiatives, provided for substantial reductions to equal levels, and the lower the level the better. But we shall wait. We still wait for the first positive response.

Despite this bleak picture, I will not be deterred in my search for a breakthrough. The United States will never walk away from the negotiating table. Peace is too important. Common sense demands that we persevere. And we will persevere. We live in uncertain times. (Applause.) There are trials and tests for freedom wherever freedom stands. It is as stark as the tragedy over the Sea of Japan where 269 innocent people were killed for the so-called cause of "sacred airspace." It is as real as the terrorist attacks last month—the Republic of Korea's leadership in Rangoon—and against American and French members of the international peacekeeping force in Beirut. And yes, it is as telling as the stonewalling of our adversaries at the negotiating table, and as their crude attempts to intimidate freedom-loving people everywhere.

These threats to peace and freedom underscore the importance of closer cooperation among all nations. You have an old proverb that says, "A single arrow is easily broken, but not three in a bunch." (Applause.) The stronger the dedication of Japan, the United States and our allies to peace through strength, the greater our contributions to building a more secure future will be. The U.S.-Japan Treaty of Mutual Cooperation and Security must continue to serve us as the bedrock of our security relationship. Japan will not have to bear the burden of defending freedom alone. America is your partner. We will bear that burden together. (Applause.)

The defense of freedom should be a shared burden. We can afford to defend freedom; we cannot afford to lose it. The blessings of your economic miracle, created with the genius of a talented, determined and dynamic people, can only be protected in the safe harbor of freedom.

In his book, *In Quest of Peace and Freedom*, Former Prime Minister Sato wrote: "In the hundred years since the Meiji Restoration, Japan has constantly endeavored to catch up and eventually overtake the more advanced countries of the world." I don't think I'll be making headlines when I say, you've not only caught up, in some cases, you've pulled ahead. Here again, our partnership is crucial. But this time, you can be teachers. To all those who lack faith in the human spirit, I have just three words of advice: Come to Japan. (Applause.)

Come to a country whose economic production will soon surpass the Soviet Union's, making Japan's economy the second largest in the entire world. Come to learn from a culture that instills in its people a strong spirit of cooperation, discipline, and striving for excellence; and yes, learn from government policies which helped create this economic miracle—not so much by central planning, as by stimulating competition, encouraging initiative, and rewarding savings and risktaking.

Our country has made great strides in this direction during the last 3 years. We are correcting past mistakes. Hope is being reborn. Confidence is returning. America's future looks bright again. We have turned the corner from overtaxing—(applause)—turned the corner from overtaxing, overspending, record interest rates, high inflation, and low growth. The United States is beginning the first stage of a new industrial renaissance, and we're helping pull other nations forward to worldwide recovery.

But some in my country still flinch from the need to restrain spending. Under the guise of lowering deficits, they would turn back to policies of higher taxes. They would ignore the lesson of Japan. A look at Japan's postwar history yields two stunning conclusions. Among the major industrialized countries, your tax burden has remained the lowest and your growth and savings rates the highest. (Applause.) Savers in Japan can exempt very large amounts of interest income from taxation; your taxes on so-called unearned income—(laughter)—are low; you have no capital gains tax on securities for investors; and the overwhelming majority of your working people face tax rates dra-

matically lower than in the other industrial countries, including my own. (Applause.) And incentives for everyone—that's the secret of strong growth for a shining future filled with hope and opportunities and incentives for growth, not tax increases, is our policy for America. Sometimes I wonder if we shouldn't further our friendship by my sending our Congress here and you coming over and occupying our Capitol building for a while. (Applause.)

Partnership must be a two-way street grounded in mutual trust. Let us always be willing to learn from each other and cooperate together. We have every reason to do so. Our combined economies account for almost 35 percent of the world's entire economic output. We are the world's two largest overseas trading partners. Last year, Japan took about 10 percent of our total exports and we bought some 25 percent of yours. Our two-way trade will exceed $60 billion in 1983, more than double the level of just 7 years ago.

At the Williamsburg Summit last May, the leaders of our industrial democracies pledged to cooperate in rolling back protectionism. My personal commitment to that goal is based on economic principles, old-fashioned common sense and experience. I am old enough to remember what eventually happened the last time countries protected their markets from competition: It was a nightmare called "the Great Depression." And it was worldwide. World trade fell at that time by 60 percent. And everyone, workers, farmers and manufacturers were hurt.

Let us have the wisdom never to repeat that policy. (Applause.) We're in the same boat with our trading partners around the globe. And if one partner in the boat shoots a hole in the boat, it doesn't make much sense for the other partner to shoot another hole in the boat. Some say, yes, and call that getting tough. Well, forgive me, but I call it getting wet all over. (Applause.) Rather than shoot holes, let us work together to plug them up so our boat of free markets and free trade and fair trade can lead us all to greater economic growth and international stability. (Applause.)

I have vigorously opposed quick fixes of protectionism in America. Anti-competitive legislation like the local content rule, which would force our domestic manufacturers of cars to use a rising share of U.S. labor and parts. Now, this would be a cruel hoax—(applause)—raising—it would be raising prices without protecting jobs. We would buy less from you. You would buy less from us. The world's economic pie would shrink. Retaliation and recrimination would increase.

It is not easy for elected officials to balance the concerns of constituents with the greater interests of the nation. But that's what our jobs are all about. And we need your help in demonstrating free trade to address concerns of my own people. Americans believe your markets are less open than ours. We need your support to lower further the barriers that still make it difficult for some American products to enter your markets easily. Your government's recent series of actions to reduce trade barriers are positive steps in this direction. We very much hope this process will continue and accelerate. In turn, I pledge my support to combat protectionist measures in my own country.

If we each give a little we can all gain a lot. (Applause.) As two great and mature democracies, let us have the faith to believe in each other, to draw on our long and good friendship and to make our partnership grow. We are leaders in the world economy. We and the other industrialized countries share a responsibility to open up capital and trading markets, promote greater investment in each other's country, assist developing nations, and stop the leakage of military technology to an adversary bent on aggression and domination.

We believe that the currency of the world's second largest free market economy should reflect the economic strength and political stability that you enjoy. We look forward to the yen playing a greater role in international financial and economic affairs. We welcome the recent trend toward a stronger yen. And we would welcome Japan's increasingly active role in global affairs. Your leadership in aid to refugees and in economic assistance to various countries has been most important in helping to promote greater stability in key regions of the world. Your counsel on arms reduction initiatives is highly valued by us.

We may have periodic disputes, but the real quarrel is not between us. (Applause.) It is with those who would impose regimentation over freedom, drudgery over

dynamic initiative, a future of despair over the certainty of betterment, and the forced feeding of a military goliath over a personal stake in the products and progress of tomorrow.

You and your neighbors are shining examples for all who seek rapid development. The Pacific Basin represents the most exciting region of economic growth in the world today. Your people stretch your abilities to the limit, and when an entire nation does this, miracles occur. Being a Californian, I have seen many miracles hardworking Japanese have brought to our shores.

In 1865, a young Samurai student, Kanaye Nagasawa, left Japan to learn what made the West economically strong and technologically advanced. Ten years later, he founded a small winery at Santa Rosa, California, called the Fountaingrove Round Barn and Winery. Soon he became known as the great king of California. Nagasawa came to California to learn and stayed to enrich our lives. Both our countries owe much to this Japanese warrior-turned-businessman.

As the years pass, our contacts continue to increase at an astounding rate. Today some 13,000 of your best college and graduate students are studying in America. And increasing numbers of U.S. citizens are coming here to learn everything they can about Japan. Companies like Nissan, Kyocera, Sony and Toshiba have brought thousands of jobs to America's shores. The State of California is planning to build a rapid speed train that is adapted from your highly successful bullet train. In 1985 the United States will join Japan in a major exhibition of science and technology at Tsukuba, another symbol of our cooperation. (Applause.)

For my part, I welcome this new Pacific tide. Let it roll peacefully on, carrying a two-way flow of people and ideas that can break from barriers of suspicion and mistrust, and build up bonds of cooperation and shared optimism. (Applause.)

Our two nations may spring from separate pasts; we may live at opposite sides of the earth; but we have been brought together by our indomitable spirit of determination, our love of liberty, and devotion to progress. We are like climbers who begin their ascent from opposite ends of the mountain. The harder we try, the higher we climb and the closer we come together—until that moment we reach the peak and we are as one. (Applause.)

It happened just last month. One American and two Japanese groups began climbing Mt. Everest—the Japanese from the side of Nepal and the Americans from the side of Tibet. The conditions were so difficult and dangerous that before it ended two Japanese climbers tragically lost their lives. But before that tragedy, those brave climbers all met and shook hands just under the summit. And then, together, they climbed to the top to share that magnificent moment of triumph. (Applause.)

Good and dear friends of Japan, if those mountaineers could join hands at the top of the world, imagine how high our combined 350 million citizens can climb, if all of us work together as powerful partners for the cause of good. (Applause.) Together there is nothing that Japan and America cannot do.

Thank you very much. God bless you. (Applause.)

Document 490

Joint Statement Issued by President Reagan and Japanese Prime Minister Nakasone, Tokyo, November 11, 1983 [16]

U.S.–Japan Energy Cooperation

Prime Minister Nakasone and President Reagan share the view that further progress be made in energy trade and cooperation in oil, natural gas and coal between Japan and the United States as outlined in the following Joint Policy Statement recommended by the Japan–United States Energy Working Group:

Taking account of the energy prospects for the entire Pacific basin, the two countries agree that the sound expansion of U.S.–Japan energy trade will contribute to

[16] Source: White House Press Release, November 11, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, November 21, 1983, pp. 1566–1567.

the further development of the close economic and energy security relationship which exists between the two countries.

They will continue to discuss and find ways of developing this trade for the mutual benefit of both countries, noting the importance of longterm cooperation, the central role of the private sector, and the need for a balance between economic cost and energy security.

Both countries consider Alaska to be a particularly promising area for joint development of energy resources. Both governments will encourage private sector discussions regarding the possibilities for such development.

With regard to trade in oil, gas and coal, we have agreed on the following next steps:

A. The United States and Japan recognize that if legislative barriers can be removed, the U.S. has the potential to ship substantial quantities of crude oil to Japan, thereby increasing economic incentives for U.S. oil production and helping to diversify Japan's energy sources. The United States will continue to keep under review the removal of restrictions on exports of domestic crude oil.

B. The United States and Japan will encourage private industry in both countries to undertake now the prefeasibility or feasibility studies necessary to determine the extent to which Alaskan natural gas can be jointly developed by U.S. and Japanese interests.

C. The United States and Japan will encourage private industry in both countries to discuss the possibility of concluding long-term coal contracts and jointly developing mines and transportation systems to make American coal more competitive in the Japanese market.

D. In this regard, the two countries welcome the examinations underway of the technical and economic aspects of several steam coal projects by private companies concerned on both sides. As economic recovery proceeds, Japan will encourage its industries to consider purchase of more competitively priced U.S. steam coal to meet future demands not already covered by existing contracts. In addition, Japan will invite the private sector concerned to explore the possibility of further increasing substitution of coal for oil in electrical generation.

E. With regard to metallurgical coal, both sides noted that the depressed state of world steel manufacturing had reduced demand for traded coal. However, in view of the fact that the United States has been a major supplier to the Japanese market, both sides will endeavor to maintain the level of Japanese imports of U.S. coal. Japan expects that imports of competitively priced U.S. metallurgical coal will not continue to decline, and will encourage its steel industry to increase U.S. coal imports when conditions in the industry permit.

F. As a first step toward developing U.S.–Japan coal trade, from a mid- to long-term prospective, a mission composed of representatives of major Japanese coal users and other appropriate interests will visit the U.S. to meet with major coal mining and transportation interests. The purpose of this mission will be to explore the possibility of expanding coal trade between the United States and Japan, and the possibility of conducting a major study of the opportunities for reducing the delivered price in Japan of U.S. coal.

G. Kampuchea

Document 491

Statement by the Representative at the U.N. Donors' Conference on Kampuchean Relief (Dewey), May 24, 1983 [1]

U.S. Denunciation of Vietnamese Attacks on Civilian Khmer Border Camps and Concern Regarding Interior Kampuchean Conditions

Mr. Chairman, all of us here today who have worked so hard for the Khmer on

[1] Source: U.S. Mission to the United Nations Press Release USUN 39–(83), May 25, 1983.

the border and in the interior cannot but react with horror to the brutality of recent Vietnamese actions. My government joins Thailand and other concerned countries in denouncing the Vietnamese attacks and calling on Vietnam to cease further military action against the border refugee camps. We also wish to express our continued support for a negotiated settlement to the Kampuchean problem which will lead to the withdrawal of all foreign troops and the restoration of Kampuchean independence and self-determination. Only when such an agreement is reached will the killing stop once and for all.

Mr. Chairman, my government would like to commend the Royal Thai Government for the generosity it displayed in providing refuge to Khmer refugees seeking escape from the Vietnamese onslaught. We hope that the refugees displaced by the Vietnamese attacks will soon be able to relocate safely to the border area.

My government would also like to commend you, Sir Robert [2] in particular, and the staffs of UNBRO, the ICRC and the voluntary agencies for their work in caring for the displaced refugees under difficult and often dangerous conditions. We were particularly impressed by their contingency planning which saved countless lives and helped immeasurably to reduce human suffering.

Mr. Chairman, we believe that it would be tragic if, at this crucial juncture, the border relief operation were forced to cut back for the want of adequate funding support. The United States has already provided $7.5 million to UNBRO and an additional $1.5 million to the ICRC for their work with the border refugees. Unfortunately, the recent Vietnamese attacks have aggravated the already substantial operational deficits carried by both organizations. My government encourages the other donors who have delayed their contributions to contribute quickly so that the relief program can be ensured the financial stability so essential to effective operation.

Mr. Chairman, I would like to commend the World Health Organization for surveying medical conditions in the border camps. We were encouraged that the report of the WHO assessment team laid to rest many of our fears about the reported deterioration of the health of the border refugees. As the WHO team reported, however, increased assistance is required for expanded health care, increased feeding and improved malaria control. We support the WHO recommendations and encourage UNBRO to adopt them quickly. The United States is prepared to contribute additional financial support to UNBRO and we look to other donors to join us in providing improved health care and malaria control on the border.

Turning now to the interior of Kampuchea—we have reviewed Dr. Schreur's most recent report and believe that it essentially represents a restatement of the conclusions reached by the Rao mission. We have already expressed our concerns about that mission's objectivity and thoroughness in estimating rice requirements and evaluating the effectiveness of the Phnom Penh authority's utilization of relief assistance. Our concerns on this latter point appear to have been confirmed by the recent WFP report which states that the Phnom Penh authorities continue to use emergency assistance to pay employees. Regarding Dr. Schreur's observations about child health, we believe that he did not follow accepted procedures for conducting his study and that the data provided does not support his general conclusions.

The United States remains concerned about conditions inside Kampuchea and we are distressed that the safeguards established last year to prevent a relapse and deterioration in the health and well-being of children and other vulnerable groups inside Kampuchea were not implemented. We encourage UNICEF, which is the agency most concerned with child health inside Kampuchea, to monitor the nutritional well-being of Khmer children, and to provide adequate warning if any future widespread emergency situation were to arise.

I would like to commend, in closing, the extraordinary efforts that have been taken to protect the substantial investment in human lives and to prevent the affected people in Kampuchea from slipping back into deplorable conditions. We commend the serious, persistent efforts to update our information on health and nutritional conditions in the country. Differences in assessment of conditions and solutions, in

[2] Sir Robert Jackson, chairman of the conference.

no way changes our admiration and respect for the truly remarkable achievements for which your dedicated team is responsible. Thank you.

Document 492

Statement by the Deputy Assistant Secretary of State for East Asian and Pacific Affairs (Monjo) Before a Subcommittee of the House Foreign Affairs Committee, September 15, 1983 [3]

Kampuchea After Five Years of Vietnamese Occupation

Mr. Chairman, I am pleased to have the opportunity to appear before this subcommittee to review the situation in Kampuchea after 5 years of Vietnamese occupation. Since 1975 the Khmer people, have suffered immeasurably, first from the brutal efforts of the Pol Pot regime to completely restructure Khmer society and, since 1978, from invasion and occupation by their stronger neighbor, Vietnam. I welcome this chance to review recent developments in Kampuchea.

It has been almost a year since this administration last discussed Kampuchea before this committee. In the past year, ASEAN's strategy for a political settlement—which the United States strongly supports—has succeeded in further isolating Vietnam because of Hanoi's occupation of Kampuchea. This is particularly evident in increased voting at the United Nations against Vietnam's occupation, but also in opportunities Hanoi has lost in aid and trade with the great majority of nations who condemn its Kampuchean policies.

Inside Kampuchea, Vietnamese occupying forces have long since worn out their welcome.

—There is increased hostility to the occupation, especially as the Vietnamese increase their treatment of Kampuchea as a colony.

—Resistance to Hanoi's occupation has increased noticeably during the current wet season. In response, the Vietnamese in some areas have cracked down on local officials and the armed forces of the Heng Samrin regime.

—Heightened repression by the Vietnamese has caused large numbers of Khmer to flee to the Thai-Kampuchea border.

Despite international condemnation and the opposition of the Khmer people, Vietnam's occupation of Kampuchea continues, with no end in sight. Hanoi's offers to talk avoid the underlying issues and its claims of partial troop withdrawals are false. Hanoi refuses to address the widely accepted framework for a settlement set forth in the Declaration of the International Conference on Kampuchea. [4] Hanoi's intention to avoid a political settlement and continue with a military solution has been nowhere more evident than during the past dry season when its forces repeatedly launched brutal assaults against Khmer civilian refugee settlements along the Thai-Kampuchean border.

Now I would like to turn to these points in more detail.

During this past dry season in Indochina, Vietnam continued its efforts to destroy the anti-Vietnamese resistance forces and consolidate its hold on Kampuchea. Beginning in late January 1983, the Vietnamese Army launched a series of attacks against resistance positions and civilian encampments along the Thai-Kampuchean border. These attacks, backed by armor and heavy artillery, overran several of the border encampments, forcing more than 85,000 Khmer civilians to seek refuge

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[3] Source: *Cambodia After 5 Years of Vietnamese Occupation: Hearings and Markup Before the Committee on Foreign Affairs and its Subcommittee on Asian and Pacific Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 7–20.

[4] Reference is to the conference held at the U.N. Headquarters in New York, July 13–17, 1981. On July 17, 1981, the conference issued a declaration in support of a political solution to the Kampuchea problem. For text, see *American Foreign Policy: Current Documents, 1981*, pp. 1023–1025. On October 21, 1981, the U.N. General Assembly adopted Resolution 36/5, 100 (United States)–25–19, to further encourage a comprehensive political solution to the Kampuchea problem, and to establish a zone of peace, freedom, and neutrality in Southeast Asia. For text, see *ibid.*, p. 1025.

elsewhere. In early April, Vietnamese units entered Thai territory in force, prompting the Royal Thai Air Force to launch air strikes against Vietnamese troops. These wanton attacks against civilian encampments, and the disregard they show for Thai territory, are indications that Vietnam has not changed its policy of seeking a military solution to the problem of Kampuchea.

Recent intelligence has enabled us to refine our estimate of Vietnamese troop strength in Kampuchea to 150–170,000 men, a large portion of them concentrated near the Thai-Kampuchean border. This changed estimate reflects only more precise information now available to us, not any change in Vietnamese strength. In May 1983, Hanoi announced a second partial troop withdrawal and said that the Cuu Long or Fourth Corps with 10,000 troops would return to Vietnam. Foreign journalists invited to Kampuchea for the event observed 2,000–3,000 Vietnamese troops leaving the country. Some headquarters units were indeed withdrawn, but there is no indication of a reduction in Vietnamese strength in Kampuchea. More new personnel have been joining units near the Thai border than departed and the Vietnamese army appears to have been reorganized to increase its combat power near the border. There is no indication of a genuine withdrawal. In fact, our information indicates that this was simply a troop rotation and unit reorganization exercise.

The Heng Samrin regime's own army is weak and ineffective. Widespread conscription has brought its strength to 20–30,000 men but morale is low and desertion a widespread problem. Even the main force units are considered unreliable by the Vietnamese while some local militia are apparently suspected by the Vietnamese of collaborating with the resistance.

The Vietnamese, however, have been unable to eliminate the resistance threat and face the prospect of protracted conflict. The resistance forces have grown in strength and capability. The Khmer Rouge maintain more than 30,000 troops and are apparently able to conduct operations over a large area of the country. The Khmer People's National Liberation Front has increased its strength and has become a more effective combat force. It has reorganized its command structure to pursue a more vigorous guerilla war. The KPNLF has 12,000 armed troops and some 6,000 more troops awaiting equipment. The pro-Sihanouk forces number approximately 5,000 men. Shortages of equipment continue to limit the effectiveness of the non-Communist forces.

The resistance forces, both Khmer Rouge and non-communist, have been more active this wet season than in the past. Attacks and ambushes along the roads and the railroad between Phnom Penh and western Kampuchea have been more frequent. The Vietnamese army appears to be facing greater difficulty in supplying its forces near the border.

We do not see any prospect of the Vietnamese destroying the resistance forces. The resistance does not pose a serious military threat to Vietnam's hold on the main population centers, but it is a problem for Hanoi and prevents the Vietnamese-installed regime from consolidating its control of the country.

Within Kampuchea, there has been some improvement in the domestic economy. The food situation is better than in past years and there is a prospect of self-sufficiency in rice. The requirements for international relief assistance have already fallen significantly and should continue to fall in the future. The rains this year, however, have been late and below normal. We are watching the situation carefully in cooperation with the U.N. Secretary-General's Special Representative for Khmer Relief.

Politically, Vietnamese efforts to establish the legitimacy of the Heng Samrin regime have made little progress. The regime is dependent on Vietnamese advisors down to the provincial level and all major policy decisions are made on sufferance of the Vietnamese. Often, they seem to serve Vietnam's interests at the expense of Kampuchea's. Hanoi and Phnom Penh recently announced an agreement on delimiting their common border which abandoned the position held by every Kampuchean Government since independence and accepted the Vietnamese view of the border's true location. The regime has gained, at best, only the tacit acquiescence of the Khmer. Hanoi is concerned about the reliability of the Heng Samrin regime's civilian administration and the general population. In May and June the Vietnamese arrested a number of regime officials on suspicion of sympathizing with the resistance. Vietnamese military units have also carried out pacification campaigns in

the countryside directed at villagers believed to support the resistance. The brutal excesses of these campaigns have driven several thousand Khmer to flee to the Thai-Kampuchean border in search of refuge, joining the more than 200,000 already in border encampments.

Interviews with refugees fleeing Kampuchea indicate that anti-Vietnamese sentiment and support for the resistance is on the rise. The Khmer Rouge are still widely remembered and hated for their bloody excesses while in power. The Vietnamese and the Heng Samrin regime have used this fear to control the country but Khmer nationalism is reasserting itself. Conscription, forced labor, a fear of the sometimes undisciplined behavior of Vietnamese troops, and increasing suspicion of Vietnam's long-term intentions have all contributed to the increasing resentment of the Vietnamese. Moreover, the senior levels of Heng Samrin's regime are heavily composed of former Khmer Rouge officers, including Heng Samrin, who broke with Pol Pot before the Vietnamese invasion of Kampuchea but who share responsibility for the Khmer Rouge regime's horrifying record of atrocities. The formation of the Coalition last year, the reemergence of Prince Sihanouk, and the leadership also provided by Son Sann have given the Khmer renewed hope of an eventual choice other than the Khmer Rouge or a government controlled by the Vietnamese.

The recent influx of Vietnamese settlers into Kampuchea will further contribute to popular disaffection. Estimates of the number of Vietnamese immigrants range from the official Phnom Penh figure of 40,000 to an improbable 1.2 million. We believe that the true number may lie in the 150–200,000 range. There were some 500,000 ethnic Vietnamese in Kampuchea before 1970. Most fled between 1970 and 1979. Some of the Vietnamese settlers are undoubtedly returning residents. As many as a third, however, are new immigrants. When combined with Vietnamese-imposed changes to Kampuchean administration and Khmer society, this officially sponsored Vietnamese immigration raises serious questions about Hanoi's long-term intentions towards Kampuchea.

The members of the Association of South East Asian Nations (ASEAN), the countries in the region most threatened by Vietnamese aggression in Kampuchea, seek a political settlement to the problem of Kampuchea based on the complete withdrawal of Vietnamese troops and the establishment of a neutral, independent Kampuchea through internationally supervised elections. These principles were adopted by a majority of the world's nations in the Declaration of the U.N.-sponsored International Conference on Kampuchea (ICK). Increasing majorities have passed resolutions incorporating the ICK formula at every U.N. General Assembly since 1979. ASEAN's strategy includes applying political, diplomatic and economic pressure on Vietnam to persuade Hanoi that a political settlement is in its own interests.

Support for ASEAN and its approach to the Kampuchean problem is the cornerstone of U.S. policy in Southeast Asia. We share ASEAN's objective of a comprehensive political settlement and work with ASEAN to achieve the objectives of the ICK Declaration. We share ASEAN's belief that only a peaceful solution to the problem in Kampuchea can address the concerns and interests of all the parties involved.

Internationally, Vietnam remains isolated because of its conduct in Kampuchea. The majority of nonaligned nations have joined ASEAN, Western Europe, Japan and the United States in condemning Vietnam's aggression which is in violation of international law and the U.N. Charter. Hanoi's only support comes from the USSR and Soviet allies. The Soviet Union provides Vietnam with military and economic aid exceeding $1 billion annually. This aid supports Vietnam's war effort in Kampuchea and keeps the Vietnamese economy functioning at a minimal level, but is insufficient to allow Hanoi to reconstruct and develop the country. Moscow has been able to trade on this support to obtain access to Vietnamese air and naval facilities, notably the former U.S. base at Cam Ranh Bay. We and ASEAN are concerned at this increasing Soviet presence in Southeast Asia. Some argue we should soften our stance toward Vietnam to give it an alternative to the Soviets. However, it is not the policies of ASEAN or the United States which isolate Vietnam and leave it dependent on the Soviet Union. It is Hanoi's own policy of invading and occupying a neighbor which leave it without friends outside the Soviet camp. Only a change in those policies will allow Hanoi to expand its contacts with the rest of the world.

In 1982, with encouragement from the ASEAN nations, the Coalition Government of Democratic Kampuchea was formed. [5] It broadened the DK regime into a coalition joining non-Communist factions led by respected Khmer nationalists Prince Sihanouk and former Prime Minister Son Sann with the Khmer Rouge to oppose the Vietnamese occupation of Kampuchea. These groups retain their own political identities and military autonomy but are pledged to work together to seek implementation of the ICK Delaration on Kampuchea.

The United States was not directly involved in the Coalition's formation. We nevertheless welcomed it as a step in the process of achieving a settlement in Kampuchea. The United States continues to give diplomatic and political support to the non-Communist elements in the Coalition. We welcomed Prince Sihanouk and Mr. Son Sann to Washington last year during the UNGA. They met the Secretary of State in New York and the Vice President here in Washington. [6] We are pleased that Son Sann is in Washington again and that he will be meeting with the Secretary this afternoon. [7] We look forward to continuing our contacts with Prince Sihanouk during his upcoming visit to the United States. We will continue our political and humanitarian support for the coalition, but we do not plan to offer military aid to the Coalition or any of its members. We do not provide aid of any kind or have any contact with the Khmer Rouge and our welcoming of the Coalition does not imply any support for the Khmer Rouge.

The Coalition has greatly enhanced international support for ASEAN's strategy on Kampuchea. Last year at the UNGA, the ASEAN-sponsored resolution calling for the withdrawal of all foreign forces and internationally supervised elections was adopted by 105 votes to 29. [8] The United States joined the majority which included most nonaligned nations. We believe that ASEAN is again in a strong position to manage the Kampuchean debate in New York and we will work with ASEAN to support moves designed to achieve a settlement.

At every General Assembly since 1979, the Vietnamese or their supporters have challenged the credentials of the Democratic Kampuchean delegation. Hanoi's ultimate objective is to seat its client Heng Samrin regime. In each case the challenge has been defeated easily through the efforts of the ASEAN governments supported by much of Western Europe and the nonaligned world, the United States and Japan. The United States will again support ASEAN's position in favor of continuing to accredit the Democratic Kampuchean delegation.

Our stand remains based on the technical ground that Democratic Kampuchea has been accepted as a member of the United Nations since its assumption of power in 1975. Having accepted Democratic Kampuchea, the United Nations can withdraw those credentials only if there is a superior claimant to the seat. There is no superior claimant to the Kampuchean seat. The Heng Samrin regime is certainly not a superior claimant. It was installed in Phnom Penh and is maintained there solely by the force of Vietnamese arms. Seating representatives of the Heng Samrin regime would indicate international acceptance of a government imposed by

[5] In Kuala Lampur on June 22, 1982, the three principal resistance leaders, Prince Norodom Sihanouk, Khieu Kamphan, and Son Sann, signed a joint declaration creating the Coalition Government of Democratic Kampuchea. Sihanouk was named President of the coalition; Son Sann became Prime Minister; and Khmer Rouge leader Khieu Kamphan became Vice-President with responsibility for foreign affairs. The coalition government issued a declaration calling for a common struggle against Vietnamese occupation, restoration of Khmer sovereignty, and implementation of relevant U.N. General Assembly resolutions on Kampuchea. The new government pledged to operate under "principles of tripartisan, equality and nonpreponderance." The text of the coalition agreement is in Foreign Broadcast Information Service, *Daily Report: East Asia*, June 28, 1982, pp. H1–H2.

[6] Prince Sihanouk addressed the U.N. General Assembly on September 30, 1982. The text of his statement is in U.N. document A/37/PV.11. Sihanouk and Son Sann met on October 6 and October 8, 1982, with Secretary of State Shultz and Vice President Bush. Both Shultz and Bush confirmed that the United States would support the coalition politically, but that aid would be limited to humanitarian assistance and would not extend to military supplies.

[7] On September 15, 1983, Son Sann also appeared before the Subcommittee on Asian and Pacific Affairs in an informal session. For text of his prepared statement, see *Cambodia After 5 Years of Vietnamese Occupation*, pp. 80–90.

[8] For text of U.N. General Assembly Resolution 37/6, see *American Foreign Policy: Current Documents, 1982*, p. 1099.

a foreign aggressor in violation of the U.N. Charter and in defiance of the General Assembly. U.S. support for Democratic Kampuchea's U.N. credentials does not imply recognition of Democratic Kampuchea or support for the Khmer Rouge whose gross misrule and atrocities we continue to abhor.

We see no prospects for an early settlement of the problem of Kampuchea. Vietnam has made tactical moves in an effort to appear flexible but remains intransigent on the key issues. Hanoi's proposals for regional talks have sought to gain acceptance of Vietnam's position in Kampuchea and recognition for the regime installed by Hanoi in Phnom Penh. In addition, Vietnam has sought to project itself as spokesman for the Indochina bloc. All of these moves are designed to support Hanoi's objective of an Indochina dominated by Vietnam and subservient to its interests. Ultimately, Hanoi seeks to establish an Indochinese federation. Vietnam has turned aside all ASEAN proposals, including an ASEAN offer to meet the Vietnamese in Hanoi if Vietnam withdrew its forces in Kampuchea 30 kilometers from the Thai border. Hanoi continues to deny, in fact, that there is a Kampuchea problem. ASEAN's legitimate security concerns are dismissed as border issues amenable to resolution through bloc to bloc talks between ASEAN and the Indochinese states. Such an approach is designed to draw ASEAN into open-ended talks about peace and security in Southeast Asia, talks which would serve to grant implicit recognition to the Heng Samrin regime. Hanoi continues to reject the U.N. Kampuchea Conference principles, which are supported by a large majority of the world's nations. Such an approach ignores the fundamental cause of instability in Southeast Asia—Vietnam's occupation of Kampuchea.

We can expect to see more tactical moves by Vietnam but so far we have not seen any genuine willingness on Vietnam's part to seek a settlement in Kampuchea which would restore Khmer self-determination. We, like ASEAN, remain convinced that a political settlement will be possible only once Vietnam realizes the disastrous results its policies have produced. Only a change in Hanoi's policy will reconcile Vietnam's interests with those of its neighbors and bring peace to the region. Until then, the international community must continue to maintain the pressure on Vietnam.

The view from Hanoi, then, cannot be encouraging. Vietnam faces a long-term struggle in Kampuchea. Its client regime is a failure and popular dissatisfaction is rising at Vietnam's treatment of Kampuchea as a colony. The Vietnamese economy is suffering from mismanagement and the burden of a foreign war. Hanoi is at odds with its most powerful neighbor, China, and with the nations of ASEAN. It is isolated internationally and almost wholly dependent on Soviet support and assistance. Only a settlement of the problem in Kampuchea which allows that unhappy country to finally chart its own course is consistent with Vietnam's own long-term interests.

Document 493

Statement Read by the President's Principal Deputy Press Secretary (Speakes), September 22, 1983 [9]

Situation in Kampuchea

The United States supports ASEAN's efforts to achieve a comprehensive political settlement of the problem in Kampuchea based on a complete withdrawal of foreign forces and an internationally supervised election. These principles have been adopted by a great majority of the world's nations in the declaration of the U.N.-sponsored International Conference on Kampuchea and some successive resolutions at the U.N. General Assembly. The Khmer Resistance Coalition is an important element of the ASEAN strategy. Although the U.S. is not directly involved in the Coalition's formation, we've welcomed it as a vehicle for them to achieve a political settlement in Kampuchea. We give moral, diplomatic and political support to the Coalition's non-Communist elements led by Prince Sihanouk and former Prime Minister Son Sann. We provide no assistance to and have no contact with the

[9] Source: Office of the Press Secretary to the President. Speakes made the statement during a White House Press Briefing beginning at 1:21 p.m. It was also printed in *Weekly Compilation of Presidential Documents*, September 26, 1983, p. 1306, with the addition of the following final sentence: "We have no plans to provide military assistance to the coalition or any of its members."

Khmer Rouge. Last year, President Sihanouk and Son Sann met with the Vice President here in Washington during the U.N. General Assembly. The President's meeting with the two individuals, not as representatives of the Government of Democratic Kampuchea—which we've never recognized—but as respected Khmer nationalists and leaders of non-Communist groups struggling to free their countries from Vietnam's occupation; the President will reaffirm our opposition to the Vietnamese occupation of Kampuchea and our support for ASEAN's efforts to achieve a settlement which will restore Kampuchea's independence. He will also seek their views on the present situation in Kampuchea and the prospects for the current U.N. General Assembly.

Document 494

Statement by the Representative in the U.N. General Assembly (Solarz), October 27, 1983 [10]

"In Four Successive Sessions, the General Assembly Has Called For the Total Withdrawal of Foreign Troops From Kampuchea"

It is regrettable that the General Assembly must yet again consider the problem of Kampuchea, now almost five years after the invasion of that unhappy country by its more powerful neighbor, Vietnam.

In four successive sessions, the General Assembly has called for the total withdrawal of foreign troops from Kampuchea, the restoration of the Khmer people's inalienable right to self-determination through free elections, and the provision of humanitarian assistance to the Kampuchean people uprooted and made homeless by the Vietnamese occupation of their country. Each year the resolution on Kampuchea has passed by overwhelming margins, reflecting the strong and growing concern of the great majority of nations, aligned and nonaligned alike, over the fate of Kampuchea and the Khmer people.

Few countries in the world have suffered more over the course of recent decades than Kampuchea. First, a civil war raged there from the time Prince Sihanouk was overthrown in 1970 until the Khmer Rouge came to power in the spring of 1975. Then, between 1975 and 1979, the Pol Pot regime, in an act almost unprecedented in the annals of human history, embarked upon a policy which the French priest, Father Ponchaud, in a memorable phrase, termed "autogenocide," the murder of a people by their own people. Not since Hitler's holocaust condemned and consumed a third of the Jewish people has the world witnessed anything like it. Turning their country into an Asian Auschwitz, the Khmer Rouge systematically slaughtered and starved an estimated 2 million people, out of a total population of 7 million.

If that were not enough, the Vietnamese invaded Kampuchea in late 1978, forcing hundreds of thousands of Kampucheans to flee their country and, with approximately 170,000 troops, have occupied it until today.

In an effort to bring this long nightmare of suffering and occupation to an end, the United Nations has repeatedly proclaimed the need—indeed the necessity—for those who have captured control of this beautiful but broken land to leave and let the future of Kampuchea be determined by the people of Kampuchea themselves.

As far as my own country is concerned, let me state that, although there are, under our democratic system of government, inevitably differences from time to time between the executive branch and the Congress over key policy issues, on this issue both branches of government are clearly united. Only 3 days ago, the House of Representatives unanimously adopted a resolution endorsing the resolution that we are considering here today. [11]

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[10] Source: U.S. Mission to the United Nations Press Release USUN 102-(83), October 27, 1983.

[11] Reference is to H. Con. Res. 176, which supported the efforts of the Association of South East Asian Nations with respect to Kampuchea. The resolution was passed by the House on October 24, 1983, and by the Senate on November 15, 1983. For text of the resolution, see *Cambodia After 5 Years of Vietnamese Occupation*, pp. 75-77.

The adoption of this resolution by the Congress, without a dissenting vote, is indicative of the strong bipartisan consensus in our country in favor of the withdrawal of all foreign forces from Kampuchea and self-determination for the Kampuchean people. But while we fully intend to continue supporting this effort by the United Nations to resolve the Kampuchean problem, we also think it is important for Vietnam to know that, if and when it is prepared to withdraw its forces from Kampuchea, in the context of the kind of peaceful resolution of the problem envisioned by this resolution, the United States will be prepared to adopt a different attitude toward it.

The need to consider and adopt, year after year, these resolutions on Kampuchea is testimony to the stubborn policy of military conquest and colonization being pursued by Hanoi in disregard of the collective judgment of the international community and in violation of the Charter of the United Nations. Vietnam's continued illegal occupation of its neighbor, in defiance of four successive resolutions of the General Assembly, weakens the security of all nations and is the fundamental source of instability in Southeast Asia. All of us bear the burdens of Hanoi's unchecked and continuing aggression.

It is, of course, the Kampuchean people who suffer most from Hanoi's policies. Nearly 230,000 Khmer civilians encamped along the Thai-Kampuchean border live in constant fear of Vietnamese attacks. From January to April of this year, Vietnamese forces launched a series of massive assaults, backed by armor and heavy artillery, against these civilian encampments. Hundreds of civilians were killed or wounded in these attacks and more than 85,000 forced to flee to safety inside Thailand. There have been reports of atrocities by the attacking troops against civilians. The world community has reacted in horror to these attacks which have been condemned by the United States and other governments. The U.N. Economic and Social Council has asked the Secretary-General to investigate charges of atrocities committed by the occupying troops.

In this regard, we wish again to express our sincere appreciation to the Secretary-General and his Special Representative for Humanitarian Assistance to the Kampuchean People, Sir Robert Jackson, for their efforts on behalf of the Khmer people uprooted by invasion and war. The staffs of the United Nations Border Relief Operation, the World Food Program, U.N. High Commissioner for Refugees and other specialized U.N. agencies, the International Committee of the Red Cross, and the various voluntary organizations continued their untiring work in providing emergency food and medical care to the Kampuchean people, often in dangerous and hostile conditions caused by Vietnamese attacks. They deserve the heartfelt thanks and commendations of the international community. Appreciation is also due to those members of the international community who have continued to support efforts to assist the Kampuchean people through their contributions to UNBRO and the other agencies involved in relief efforts. We must continue these efforts until the time when the Kampuchean people along the Thai-Kampuchean border can return to their homes in safety. My government will continue its efforts and hopes that other members will join us in ensuring that this vital assistance continues to reach those Kampucheans still in need.

Vietnamese repression against Khmer civilians now is more evident in the interior as well. In their frustration at growing popular support for the resistance, the Vietnamese launched a major security crackdown and pacification campaign in western Kampuchea in May and June of this year. According to the reports of those who fled, hundreds of villagers were arrested. Torture was used in an effort to coerce those arrested into "confessing" their support for the resistance. Many of those arrested have not yet returned to their villages and some have reportedly been killed. Thousands of Khmer, including entire villages, have been driven by this crackdown to seek refuge along the Thai-Kampuchean border. They have told of beatings, torture, theft, rape, and other excesses by Vietnamese troops, and these are the actions of an army which claims to protect these people.

The security crackdown has even extended to the ranks of the Heng Samrin regime. Scores of middle level officials have been arrested or detained for questioning about suspected resistance sympathies. This demonstrates that the Vietnamese are not welcomed by the Kampuchean people. Despite its best efforts, even those chosen for their presumed loyalty are now suspected by the Vietnamese of support-

ing resistance efforts. Vietnam faces an increasing resurgence of Khmer nationalism against its occupation army and its client regime.

What sort of regime has Hanoi created? Despite propaganda claims originating in Hanoi, the Heng Samrin regime does not enjoy the support of the Khmer people. It does not have loyal officials to administer the country. Vietnamese advisors dominate the civil administration, a fact reflecting the regime's inability to function effectively. Heng Samrin officials act only on suffrance of their Vietnamese advisors who hold real power. The Heng Samrin regime recently agreed to Vietnam's position on the delineation of the Vietnamese-Kampuchean border, something every previous Kampuchean Government has refused to accept. These are not the actions of an independent government, but of one controlled by outsiders.

The very fact that Hanoi remains compelled, nearly 5 years after its invasion, to maintain a costly 150–170,000-man army of occupation in Kampuchea to prop up its client regime points up Hanoi's failure and the Heng Samrin regime's failure. Vietnam bears the full weight of maintaining security and defending the regime. Despite increased conscription, the regime's own army remains weak and ineffective, plagued by widespread desertions. Without Vietnam's protection, the regime would rapidly collapse. In 1982, Vietnam claimed that it was withdrawing a portion of its army. There was no evidence of a genuine withdrawal and, in fact, the evidence clearly shows that Vietnam acted to replace soldiers who had completed their military service and to strengthen its military forces in Kampuchea in a troop rotation exercise. This year, Vietnam staged another so-called "troop withdrawal," but again the evidence indicates that there was no reduction in Vietnamese troop strength in Kampuchea. This second claimed withdrawal was simply a reorganization of Hanoi's occupation forces and part of its annual troop rotation. Hanoi has claimed that it will make future withdrawals based on the security situation. Such a unilateral policy ignores the legitimate interests of its neighbors and the international community.

Hanoi would have us think that its policies in Kampuchea are based on saving the Khmer people from the Khmer Rouge. It is well-documented that the ranks of Hanoi's client Heng Samrin regime are filled with former officials of the detested Pol Pot regime, including Heng Samrin himself and Hun Sen. There is a double hypocrisy here in that Vietnam supported the Khmer Rouge both before and after 1975 when that genocidal regime was installed in power. It was only after Hanoi came into conflict with and toppled the Khmer Rouge that the Vietnamese government belatedly condemned their atrocities in an effort to promote an image of itself as the savior of the Kampuchean people.

The presence in the General Assembly of the representatives of Democratic Kampuchea demonstrates that the international community will not accept a client Kampuchean regime imposed by Vietnam. Past Vietnamese efforts to challenge the credentials of Democratic Kampuchea were soundly defeated by large majorities in the General Assembly. This year, Vietnam shrank from even challenging Democratic Kampuchea's right to be represented here. The formation in 1982 of the Khmer coalition broadened Democratic Kampuchea to include nationalist groups led by Prince Sihanouk and former Prime Minister Son Sann. We have been impressed by the response the Khmer people have shown to the leadership of these two respected representatives of Khmer nationalism.

Furthermore, in the past year, thousands of refugees have fled Vietnamese-controlled areas to join the non-Communists along the border. The growing number of forces loyal to Prince Sihanouk and Son Sann are increasingly active inside Kampuchea. The leadership of these two dedicated nationalists gives the Kampuchean people renewed hope in contrast to the grim choice between a Vietnamese-controlled regime or a return of the Khmer Rouge. We welcome their presence in the United Nations. The international community will benefit from their participation and the opportunity to hear the authentic voice of Khmer nationalism.

Originally, the Vietnamese justified their invasion of Kampuchea in terms of saving the Kampucheans from themselves. Now the Vietnamese claim their reason for occupying Kampuchea is a perceived threat from China. These facile and transparent justifications for aggression cannot obscure the obvious fact that Hanoi has sought for three decades to dominate all of Indochina.

Since the General Assembly last considered the situation in Kampuchea, we have begun receiving disturbing reports of massive Vietnamese immigration into Kampuchea, apparently endorsed by Hanoi and the Heng Samrin authorities. Documents of the Vietnamese-controlled Heng Samrin regime and refugee reports reveal that thousands of Vietnamese civilians are now settling in Kampuchea in what appears to be a deliberate, long-term plan by Hanoi to alter the demographic makeup of the Kampuchean nation. Refugees report that Vietnamese farmers, fishermen, and merchants are displacing Khmer in rich farming and fishing areas and in marketplaces. The Heng Samrin regime has acknowledged the existence of the directives which appear to reflect official support for large-scale Vietnamese immigration.

When combined with Vietnamese-imposed changes to Kampuchean administration and Khmer society, this immigration raises serious questions about Hanoi's intentions in Kampuchea. Vietnam is often depicted in Khmer mythology as a crocodile trying to swallow its smaller neighbor. Vietnam's attempts to colonize and absorb Kampuchea arouse among Kampucheans fears for the future existence, much less independence, of their country.

The costs to Vietnam of its foreign war are exacting. Hanoi is at odds with China, is estranged from its neighbors in ASEAN, and is isolated in the international community. Vietnam, with a per capita income of less than $200, maintains the world's third largest standing army. The burden of this ponderous military apparatus and the costs of Hanoi's military adventures fall on the shoulders of Vietnamese farmers, laborers and draftees, many of whom continue to risk their lives each year as "boat people" in search of freedom rather than remain in Vietnam. Soviet assistance exceeding $1 billion a year supports Vietnam's war effort but increases Hanoi's dependence on Moscow. Vietnam's Kampuchea quagmire will in time convince Hanoi's leaders that they cannot subjugate the Khmer people. Political isolation abroad, economic deterioriation at home, and a growing realization of the price it pays for Soviet support in terms of sacrificing its historic independence will eventually lead Hanoi to the realization that a comprehensive political solution to the Kampuchean problem is in its own long-term interests.

The door to a fair and just settlement remains open. The five members of the Association of Southeast Asian Nations have pursued a flexible and unselfish course in this regard. Under ASEAN's leadership, the General Assembly resolutions on Kampuchea and the 1981 International Conference on Kampuchea outline a basis for a comprehensive political settlement in Kampuchea based on the complete withdrawal of foreign forces, restoration of Khmer self-determination through U.N.-supervised free elections, and nonintervention and noninterference in Kampuchean internal affairs. All of the elements for a settlement are in place. Such a settlement would meet the essential interests of all the parties involved and would restore to the Kampuchean people their right to control their own destiny.

No one, least of all the Kampuchean people, wishes to see those responsible for the atrocities of 1975–78 return to power. If Vietnam is reluctant to withdraw because it fears that, were it to do so, the Khmer Rouge would return to Phnom Penh, the answer is that the resolution provides a mechanism specifically designed to prevent such an outcome.

The opportunity is there for Vietnam. Peace is within Vietnam's grasp. By agreeing to withdraw from Kampuchea in accordance with the terms of this resolution, it can both make possible the self-determination of the Kampuchean people and simultaneously protect its legitimate security concerns.

Instead, Vietnam has continued trying to consolidate its hold on Kampuchea through military action, to legitimize its client regime, and to confuse international opinion through phony troop withdrawals and calls for discussions on a Southeast Asian zone of peace. All of this ignores the real source of instability and the real threat to peace in the region—Vietnam's continued occupation of Kampuchea. The members of the Association of Southeast Asian Nations recently presented an "Appeal on Kampuchea." This appeal calls on Hanoi to demonstrate its sincere desire for peace by committing itself to a phased total withdrawal of its forces in Kampuchea with a definite period to be worked out as part of negotiations. This proposal, which is consistent with the principles of the International Conference of Kampuchea, can be accepted by reasonable governments genuinely seeking the

restoration and salvation of the Kampuchean nation. It would produce a free and neutral Kampuchea, a threat to none of its neighbors, respecting the fundamental rights of its citizens. Hanoi's leaders should accept this opportunity for a settlement.

Such a settlement would then permit the Khmer people, with the help of the international community—including the United Nations—to turn to the task of rebuilding their country. Ravaged by conflict, famine, genocide, and foreign oppression, Kampuchea's recovery will be a long-term and formidable task. The task to bring peace to Kampuchea, however, is potentially less formidable. It would also end Vietnam's international isolation, restore Vietnam's dignity and freedom of action, and permit Vietnam to begin healing the wounds of forty years of warfare and raise the living conditions of the Vietnamese people. All it takes is a step toward compromise and justice. The world, and above all the people, the tragic, long-suffering people of Kampuchea, are waiting for Vietnam to take that one small step toward peace.

H. Korea

Document 495

Remarks by the Secretary of State (Shultz), Seoul, February 6, 1983 [1]

U.S.-South Korean Mutual Commitment to the Security and Safety of the Korean Peninsula

You've compared Korea with Indiana. And, of course, you wouldn't have any way of knowing, but that would strike a particularly responsive chord with me since that's the State that my father was born in and raised in and we think of Indiana as in the heartland of America. So when you spoke of Korea being surrounded by three big powers through its history, I was pleased to see that a fourth power, Indiana, and all surrounding Indiana in the United States have provided you with an ally that is present and will continue to be present.

I visited Korea before but this is my first visit as Secretary of State of the United States of America. Even before the gracious occasion we are enjoying this evening, the visit began auspiciously. Mr. Minister, our talks this afternoon were very informative and useful to me, and I look forward to further consultations with you, as well as to my meetings with President Chun and Prime Minister Kim tomorrow. I thought that perhaps there was something symbolic in the sort of spontaneous way, this afternoon, in which you wound up sitting on the side of the table with my American colleagues and I wound up on the Korean side. And perhaps what that suggests is there aren't two sides but only one side in this partnership.

Our talks will touch on a variety of themes of vital importance to both the Republic of Korea and the United States, and to the relationship between us. We'll exchange views and concerns on the state of the international economy, on the diplomatic efforts of our Governments to ensure peace and promote international understanding, and on our shared belief in the need for continued political development. But everything we discuss, to my mind, will relate to the central theme of this visit: The reaffirmation of our mutual commitment to the security and stability of the Korean Peninsula, and of the northeast Asian region.

Tomorrow afternoon I will be visiting both Korean and American units in some of the areas north of Seoul. When this trip to the forward areas was proposed to me, I readily agreed. I have seen some of these areas on earlier visits, and I know that an awareness of the seriousness and immediacy of the military threat, which comes through so clearly up there, is basic to any real understanding of the situation in Korea. I'll have a chance to refresh my own impressions of the harsh realities of peace and war which must be faced in this

[1] Source: Department of State Press Release 41, February 8, 1983; printed also, except for the opening paragraph, in Department of State *Bulletin*, March 1983, pp. 59–60. The Secretary's remarks were made during a toast at the dinner hosted by South Korean Foreign Minister Lee Bum Suk.

nation every day. More important, I believe my visit will demonstrate anew the steadfast commitment of the United States to the security of the Republic of Korea.

The hostile confrontation between two parts of a divided nation which has characterized Korean life for decades is undeniably a tragedy. It requires an enormous diversion of resources away from peaceful purposes, resources that could be used to provide better lives for all the Korean people. And it poses a constant danger. President Chun has repeatedly demonstrated his desire to break the deadlock and establish a basis for dialogue with the north. You yourself, sir, took part in early efforts to bring that about. He has put forward, without conditions, a comprehensive program for the reduction of tensions and the eventual reunification of the nation.

Unfortunately, North Korea has not chosen to take up this offer; nevertheless it remains on the table.

One of the great accomplishments of the South Korean people is that you have achieved dramatic, almost unparalleled economic progress over the past two decades despite the very heavy defense burden you must bear. The United States will continue to do everything it can, consistent with our own budget constraints and global security responsibilities, to ease the burden your defense effort imposes. I am confident that by working together we can continue to deter aggression and maintain a shield behind which economic growth and political development can flourish, and the human spirit prosper.

We applaud the breadth of vision exemplified in President Chun's thoughtful proposals about Pacific cooperation. In addition to his visit to the United States in 1981, President Chun has had highly successful tours of Africa and the ASEAN countries—visits which clearly advanced the stature of Korea in the world. Your political and diplomatic standing is now more nearly in line with your widely recognized economic accomplishments. As friends and allies of both Korea and Japan, we were profoundly encouraged by the recent highly successful efforts to put that vital relationship on a sound and harmonious footing.

I am confident that you will be able to build on the foundation laid during Prime Minister Nakasone's visit.

The ties between Korea and the United States are—as I believe everyone here would agree—both strong and full of promise for the future. I am pleased and honored to represent my country here this evening, at the outset of what I am confident will be an excellent year, and a productive second century, for our relationship.

Mr. Minister, I propose a toast to the health of His Excellency, President Chun, to the friendship of our people, and to the common commitment to security and to peace.

Document 496

Prepared Statement by the Commander in Chief, United Nations Command/Combined Forces Command and Commander U.S. Forces in Korea (Sennewald) Before the House Armed Services Committee, March 8, 1983 (Extracts) [2]

Overview of the Military Situation on the Korean Peninsula

Mr. Chairman [3] and members of the committee, I welcome this opportunity to provide an overview of the military situation on the Korean Peninsula. I fully support Admiral Long's statement, [4] especially his comments concerning the need to continue ongoing improvements for U.S. forces established in the Pacific. As this is my first opportunity to address Congress, I would like to open by expressing my appreciation for the support you have given to strengthening our joint and combined defense effort in the Republic of Korea, and by highlighting some of the major

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[2] Source: *Defense Department Authorization and Oversight: Hearings on H.R. 2287 [H.R. 2969], Department of Defense Authorization of Appropriations for Fiscal Year 1984 and Oversight of Previously Authorized Programs Before the Committee on Armed Services, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), Part 1, pp. 1208–1213.

[3] Melvin Price.

[4] For the testimony of Admiral Robert L.J. Long, USN, Commander in Chief, Pacific, see *Defense Department Authorization and Oversight*, Part 1, pp. 1199–1207.

points that are addressed in the body of the statement.

First, you can be proud of our servicemembers in Korea. They know their jobs, are physically fit, well-disciplined and have pride in themselves, their units and their country. They, together with their ROK counterparts, are the key to a high state of combat preparedness. This combined strength has deterred aggression since 1953, and our forces, combined with those of the Republic of Korea, will acquit themselves well in any conflict with North Korea. However, we must continue to improve our readiness, sustainability, doctrine, and modernization programs in order to deter, or defeat, a calculated effort by the North Koreans to unite the two Koreas by force.

Second, the Republic of Korea is a staunch ally. Our military alliance had its origins on the battlefield three decades ago and endures today as a model of a truly combined effort. This year will mark the fifth anniversary of the ROK/US Combined Forces Command which is charged with the responsibility for the defense of the Republic of Korea. This Combined Command maintains stability and peace on the Korean Peninsula, a condition which is not only important for the Republic of Korea, but is a cornerstone of our policy in northeast Asia.

Third, the Republic has grown into a strong, confident and respected member of the world community. This growth has taken place in all aspects of society and is a tribute to the perseverance, pride and determination of the Korean people. In terms of national security they dedicate 6 percent of their GNP to defense and have a well-developed industrial capability that can provide for the bulk of their military needs. They make important contributions to U.S. defense capabilities through the combined defense improvement program (CDIP) or "host nation support" as it is known elsewhere. We realize significant annual cost avoidances from CDIP programs which range from construction of major military facilities to morale enhancing programs for U.S. servicemembers.

Finally, the North Korean military threat is real and consists of modern, well-trained fighting elements which are logistically well-supported. Their military might has grown far beyond what would be required for an adequate defense, and the complexity of their exercises has demonstrated they are capable of combined arms actions, as well as integrated air/ground combat. They are fully prepared to wage modern warfare and remain dangerous and unpredictable.

U.S. Forces in Korea, together with those of our ROK ally, represent our most forward-deployed units in the Pacific. They are key to our forward line of defense and daily demonstrate U.S. resolve to protect our mutual vital interests in northeast Asia. All the nations in the area share common sea lanes and several international straits are located within range of our bases in Korea. Control of this area is essential in containing potential foes in a regional or Pacific-wide conflict. Conversely, complete control of the peninsula by an adversary would pose an unacceptable threat to our regional allies and provide a formidable location from which to project their power throughout the area. In addition to the obvious strategic importance of maintaining a military presence on the peninsula, we also have a clear obligation to stand by our oft-stated commitment to assist in the preservation of freedom for the people of South Korea. This firm commitment forms the basis of our continuing fine relationship and our mutual efforts to preserve the peace on the peninsula.

Although Kim Il-Sung professes peaceful intentions and insists that North Korea possesses only a modest military force, the opposite is true. North Korea continues to strengthen its already-significant military capabilities. New or improved weapons systems are being introduced in the ground forces at a rapid pace, and additional aircraft and naval vessels have further enhanced their fighting capabilities. North Korea rehearses offensive operations frequently during exercises, exercises which are increasing in size and complexity. Their preparations also include strong emphasis on improving their logistics sustainability. In September 1979, Kim Il-Sung ordered a new policy requiring a six-month stockage of supplies. Significant progress has been made in reaching this objective for most classes of military supplies.

North Korea's massive military buildup during the past decade has been made possible by the investment of nearly 25 percent of its annual GNP to military spending. During this period the North Korean army has doubled in size to

750,000 men and its inventory or major ground force weapons systems has more than doubled. During the past three years, they have accelerated their mechanization program—an action made possible in part by the introduction of large numbers of North Korean-built copies of the Soviet T-62 tank.

The North Koreans are placing emphasis on developing highly mobile, combined arms forces through large-scale offensive exercises. A force of more than 20 brigades of ranger/commandos and other special operations forces continues to train intensively and would become the vanguard for an attack across the DMZ as well as sea and air insertion deep into the rear areas of the ROK. Airborne elements of this force are well trained especially in night operations. Major restructuring and strengthening of reserve forces have also occurred. These are predominantly ground forces and total approximately four million people. They are being equipped with heavier weapons displaced from the regular forces as they modernize.

The North Korean Air Force has further increased its numerical superiority over the ROK Air Force with the addition of between 25 and 50 F-7 fighters which are Chinese built copies of the Mig-21. Their inventory of fighters and bombers now totals well over 700. The North Korean Air Force has many jet capable airfields, yet continues to construct more, as well as the underground facilities necessary to house and protect the aircraft.

The North Korean Navy has a highly versatile force of over 500 combatant vessels, yet continues to strengthen its capability for offensive operations. Their large force of submarines is capable of interdicting shipping and of offensive minelaying in the approaches to ROK ports. They have an impressive force of high-speed landing craft, boats armed with multiple rocket launchers and gunboats which are ideally suited for carrying out amphibious raids and shore bombardment operations against airfields and other installations near the ROK coast. The fastest growing capability in the North Korean Navy is in ship borne surface-to-surface missiles. Forward-basing of some of these boats near the UNC-controlled northwest islands poses an immediate threat to friendly shipping and defensive patrols in that area.

North Korea appears to be having troubles with its domestic economy. These problems can be attributed to mismanagement, stagnant agricultural production, the already-tight supply of timber, coal, steel and electric power, and an inadequate labor force. Neglect of light industries has also led to shortages of processed food, clothing and other basic necessities.

Kim Il-Sung also may be having trouble with the campaign to designate his son, Kim Chong-Il, as his successor. The People's Republic of China has recognized the younger Kim's status but Soviet support is still being withheld. There are continuing signs that the support for Kim Chong-Il's ascendancy is also less than compiete inside North Korea.

Despite these economic and political developments, there has been no sign of a slackening of spending in the military sector. The North Koreans have an inordinately large and growing, offensively oriented military force with the capability to initiate a massive attack with little advanced warning.

The United Nations Command (UNC), organized in response to the UN Security Council Resolution of 7 July 1950, continues today to enforce the armistice agreement. Seven of the original 16 nations (Australia, Canada, New Zealand, Philippines, Thailand, United Kingdom, United States) remain accredited to the UNC and actively participate in its activities. The UNC provides, through the Military Armistice Commission (MAC) at Panmunjom, the only legitimate, internationally recognized channel of communication to North Korea. Through the MAC, the UNC has met the North Korean belligerence and their military buildup with forthcoming initiatives to reduce tensions and achieve a final peaceful settlement in Korea.

A year ago, following large North Korea exercises, the UNC proposed that both sides provide prior announcement of major military training exercises. We also invited the North Korean/Chinese MAC members to observe team spirit '82 and outlined the agenda of the exercise. The same offer was recently made for team spirit '83. We have taken other initiatives such as suggesting that a third party investigate armistice agreement violations, but have not yet received a positive response from the North Koreans to any proposal to reduce tensions.

The mission of integrating ROK and U.S. forces into a cohesive organization capable of fighting coalition warfare is the responsibility of the combined forces command (CFC). This headquarters, formed only five years ago, is manned by an equal number of ROK and U.S. military personnel from each of their respective services. CFC has over 650,000 soldiers, sailors, airmen, and marines under its peacetime operational control, and is the headquarters that will fight the war if deterrence fails. As commander-in-chief of CFC, it is my responsibility to provide a credible deterrence by maintaining a ready, fully capable force at all times. This is done through the integration of tactics and doctrine with emphasis on interoperability and complementarity of our combined effort.

We have taken positive steps in planning, equipping, and training our forces to execute an integrated air-land battle. These tactics will deny the North the ability to concentrate their numerically superior force at the place of their choosing on the battlefield. By looking deep into the battle area, with existing and planned intelligence gathering systems, we believe we can successfully attack his forces with airpower and other long range strike systems. By disrupting and slowing the enemy forces not yet engaged in the battle area, we can better control the fight at the line of contact and, at the appropriate time, seize the initiative.

Since airpower is so important in our defensive plans our qualitative edge over the North's air threat must extend beyond weapons systems. Training programs stress the interoperability of ROK and U.S. air operations—Korean and American pilots flying side by side. The recent activation of combined air-to-air and air-to-ground training ranges provides our crews with the experience needed to fight together in an integrated mode and win in tomorrow's sophisticated conflict. Pilots practice with the latest computer-scoring and display systems and attack realistic targets in an integrated high-threat environment.

Just as we are stressing joint and combined air and ground support in Korea, we are also improving the interoperability of air and naval forces. This effort counters Pyongyang's edge in total naval combatants. We have begun training exercises that will pay dividends in the protection of ROK coastlines from seaborne infiltration, and provide additional dividends by giving our pilots the necessary experience to support U.S. fleet operations in Korean waters.

Several command, control, communication and intelligence (C^3I) system improvements are underway and will be critical to our ability to fight and support combined coalition warfare. They include a hardened combat operations intelligence center at Osan Air Base, an automated data processing-assisted intelligence system, and two major programs to improve communications capability and interoperability. Efforts are underway to establish combined all-source intelligence centers (CASICS) throughout the ground component command at the field army level. These facilities perform collection management, analysis, production and dissemination of combined all-source intelligence information from both U.S. and Korean sources in support of combined operations. This crossflow of information is crucial to allow commanders to make force employment decisions based on total information of a rapidly changing tactical situation. Our combined air-land battle doctrine demands that commanders at all levels be able to see deep and attack deep, and these C^3I improvement programs are an essential element in realizing that capability in Korea.

Combined sustainability initiatives complement our readiness and modernization actions. The challenges are multi-faceted and include maintenance of overage equipment, shortage of petroleum and materiel storage areas, and a shortage of war reserve stocks for us and our ally. Programs are underway in each area to remedy these shortages for both countries and to improve our sustainability posture.

We have current shortages in our munitions stockage objectives for fighting the ground war. Some essential ammunition items are either not available or are available in extremely limited amounts. It is crucial to have sufficient, pre-stocked munitions because of the distance from CONUS support bases. Recent war reserve stocks for allies (WRSA) have improved our situation, and continued support will significantly reduce shortages.

The past year we concluded a memorandum of agreement that permits immediate transfer of up to $2 billion of on-hand WRSA stocks during certain military emergencies. By implementing this agree-

ment, we have streamlined and quickened the procedures for the orderly transfer of WRSA assets in a time-critical situation.

A comprehensive program is also underway to correct deficiencies in petroleum stockage levels. A major U.S. and ROK program to improve, expand, and harden our POL storage capability is in progress. There is also a major effort underway to improve the survivability of the trans-Korean pipeline to insure that we can move POL from the port to the user.

There has been a commitment by the ROK Government to assist in the area of strategic lift. Signed agreements commit selected ROK flag air and sea assets to augment U.S. strategic lift during contingencies.

No improvements in readiness, interoperability and other warfighting capabilities are complete without evaluating them through realistic command post and field training exercises. We conduct five major annual exercises and practice the skills and tactics that would be required in an actual conflict. The largest of these, team spirit, a field training exercise, is now in progress. These events provide the training realism necessary for the maintenance of a fully ready force, and are clear demonstrations of U.S. resolve to support its Korean ally.

Turning to U.S. improvements, our ability to fight on the ground will be improved markedly by the 8th U.S. Army (EUSA) modernization program. During fiscal year 1982, EUSA fielded the new M198 155MM towed howitzer, AH-1S TOW Cobra and activated a military intelligence battalion in the 2d Infantry Division (2ID), our major combat unit. The EUSA modernization program includes plans for the introduction of 180 new equipment systems over the next few years, including counterfire radar, multiple launch rocket system, Viper, Blackhawk helicopter, improved TOW, M60A3 tank, Tacfire fire direction, and Divad gun. A key modernization effort will be the conversion of the 2ID mechanized and tank battalions to the new heavy "Division 86" design. Complementing this will be a modest programmed increase in military and civilian manpower. We still have a number of shortfalls and your continued support for our programs in fiscal year 1984 and the out-years is vital if we are to improve the combat effectiveness and readiness of EUSA.

The introduction of F-16 and A-10 aircraft to Korea during the past year has increased the qualitative edge over the numerically superior North Korean Air Force. We have also initiated a program to upgrade contingency airfields, principally at locations receiving U.S. Air Augmentation Squadrons. This action will improve force survivability and ensure our capability to sustain air operations. At the same time, we are working to revet or shelter all of our aircraft, but this is an expensive proposition and we will not be finished with this project for some years.

We are witnessing a reassertion of U.S. naval seapower in the Western Pacific and our plans reflect an increasing integration of this capability into our defensive strategy. Recent 7th Fleet initiatives have brought about an expanded awareness of the value of seapower, and we welcome improvements such as the addition of the *Carl Vinson* and the *New Jersey* to the Pacific. They will clearly enhance the ability of the U.S. Fleet to support the defense of the ROK.

Other U.S. Navy and Marine Corps initiatives promise greater flexibility in our concept of operations. I encourage support of efforts to improve the Westpac Amphibious Force. Anti-submarine surveillance provided by increased P-3 coverage in the Sea of Japan and the Navy's airborne mine countermeasures initiatives, foster increased confidence in our future capability for defense of the sea lines of communication upon which we in Korea are so dependent. The increased U.S. naval presence in the East Sea (Sea of Japan) has sent a clear signal to the North that the United States has the ability and resolve to apply whatever force is necessary in defense in the ROK as well as other U.S. interests in Northeast Asia.

Turning to the efforts of our ally, the ROK Government has embarked on a second 5-year force improvement plan (FIP-II). The FIP is the ROK military investment program, a portion of which is devoted to support of U.S. Forces through the combined defense improvement program (CDIP). During the past year, the program has resulted in improved armor and air defenses, continued aircraft coproduction and missile assembly, aircraft and radar purchases, and continued the building of frigate and high-speed naval craft. Current initiatives include a ROK Army reorganization which will add one battal-

ion to each infantry regiment and upgrade tank companies to battalions. The net result will be an overall increase in maneuver and firepower capabilities. While this has provided substantial improvements to ROK Forces, it will not have significant near term impact on the force imbalance currently favoring North Korea.

It is clear the ROK Government is making a major effort for its own defense. Their CY83 defense budget is set at $4.4 billion, equating to 6 percent of their GNP and 32.8 percent of their national budget. Approximately one-third of their defense budget has been programmed to support their force improvement plan. They have asked the U.S. for a higher level of FMS credit loans during the fiscal year 1982–86 period to assist in funding this plan. Unfortunately, the amount actually provided by the United States last year was much less than what was anticipated and required. To keep their plan from falling behind schedule, your support is needed to fully fund the fiscal year 1984 FMS credit level for Korea proposed by the administration, and to provide the additional funds mentioned for fiscal year 1983. A lengthening of the repayment period and/or a reduced interest rate would also greatly assist their effort.

Some type of concession to assist their sagging defense industries also seems warranted. In response to the increased threat from the North, the prospect of a large U.S. troop withdrawal, and upon our encouragement, the ROK Government set a course in the 1970s to achieve self-reliance by building up their defense industries. They have succeeded admirably with U.S. technology and assistance and are now capable of producing a full line of defense products. However, they now have excess capacity in many plants which threatens the solvency of a number of companies. We should find ways to permit them to increase sales of military equipment to third countries within the current statutory regulations and without harming U.S. companies involved in the production of defense materiel. Moreover, in my opinion, it is in the best interest of the U.S. to assist the ROK Government in maintaining a warm production base on critical items which could be used to provide a surge capability in case of a conflict.

In a related area, we agreed to identify certain types of equipment for repair by Korean industry without degrading the U.S. industrial base. A substantial cost avoidance can be realized with a negligible impact on the U.S. depot workload and industrial base, by having the ROK defense industry perform maintenance on our equipment. For example, there is now a 5-year program underway to modernize and refurbish 496 M113 armored personnel carriers with an estimated cost avoidance of $16.6 million. Placing projects such as these in Korean industry, aids the ROK in maintaining a production base, enhances the sustainability of U.S.-made items in the event of a contingency, and improves the combat readiness of U.S. forces in Korea.

Let me stress again the value of CDIP to our defense effort. ROK Government support of U.S. forces sets an example that other allies may follow. I am confident their extensive support will continue to the maximum extent possible. ROK CDIP expenditures since 1980 have gone for such essential projects as petroleum distribution and storage, ammunition storage, command and control facilities and force stationing improvements. Construction of 1,085 family housing units has been completed, and these are being leased for U.S. personnel.

The development of ROK combat support/combat service support offsets to U.S. wartime shortfalls is one of the highest CDIP priorities. Overall, offsets obviate the need to deploy 39,700 U.S. support personnel. This equates to 255 C–141 personnel airlift sorties and sealift of 64,000 short tons of unit equipment and allows critically short strategic air and sealift resources to be allocated to other priority combat requirements.

Before concluding, it is important to highlight our quality-of-life actions. For years our personnel have lived and worked in conditions that are well below the minimum Department of Defense standards. A renovation/construction program is underway to overcome the deteriorated Korean War-era and older structures that house our people. Continued support for our quality-of-life programs is needed. These programs include the renovation of the make-do facilities that we have used for years and the replacement of older structures with new construction, all designed to bolster combat effectiveness and personal commitment.

In summary, I see nothing that leads me to believe the North will moderate their

bellicose and belligerent attitude. On the contrary, the trends in their offensively oriented force modernization programs and exercises cause me continued concern.

To meet this threat, I need your continued support for the initiatives we have undertaken to improve our force structure, command, control and communication systems, sustainability, and quality-of-life programs. Similarly, your support of FMS levels and terms will permit the Republic of Korea to continue their substantial force modernizations efforts. I know of no other ally who so willingly shoulders its share of the burden of maintaining peace, and none which provides such support to our forward deployed forces.

The Korean War was never concluded by a peace treaty. Only an armistice agreement signed by the military commanders, and enforced by United Nations command, keeps the fragile peace along the DMZ today. The North has built, and continues to expand, a modern military force clearly capable of initiating a major attack on short notice. The quantitative, and in some cases, qualitative military edge the North enjoys continues to grow at an unfavorable rate. To insure peace and avoid the possibility of a grave miscalculation by the North, we must continue to send strong signals of our intention to maintain a ready deterrent force, and of our resolve to support the Republic of Korea under the terms of our security treaty.

I believe there is no greater payback on our own defense investment, in terms of maintaining peace and stability in an area critical to our national interest. That investment has deterred war in a critical region of the world for 30 years, and will continue to do so if the current rate and level of improvements for our Korean based military forces are maintained.

Finally, and most importantly, you can be justifiably pleased with the splendid soldiers, sailors, airmen, and marines manning their stations in and around Korea. They proudly, and without complaint, do a superb, tough, hazardous job in a country far from their own. On their behalf, permit me to thank you for your support.

Document 497

Statement by the Secretary of Defense (Weinberger), Seoul, October 13, 1983 [5]

Homage to Korean Public Servants Killed on a Mission of Peace

We have paid homage today to brave and distinguished public servants who lost their lives on a mission of peace and international good will. [6] We came here also to affirm that we share the ideals which they represented so honorably and well, and to pledge the determination of the United States to stand resolutely with you in defense of these ideals. Because we are vital to each other's security, we have a mutually reinforcing alliance.

A Korean proverb refers to "thunder out of a clear sky." You, and we, have heard the thunder more than once in the recent past. But no tribulations, however unexpected or painful, can deter us from pursuing our shared objectives of peace and security for our peoples, prosperity, and friendship among nations. We will recall those objectives as we think of the fine men who died in their behalf. And we will continue to work with you, in a strong and enduring partnership, toward those noble goals.

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[5] Source: *Public Statements of Secretary of Defense Weinberger, 1983*. Secretary Weinberger made the statement upon his departure from Kimpo Airport.

[6] Reference is to the assassination on October 9, 1983, in Rangoon, Burma, of 17 Korean officials and journalists, including the Foreign Minister and other Cabinet members. A Burmese court later found two North Korean Army officers guilty of the act. Secretary Weinberger had represented President Reagan at the state funeral for the Koreans killed in the bombing.

Document 498

Statement by the Department of State Acting Spokesman (Romberg), October 17, 1983 [7]

New Korean Cabinet

One announcement regarding the naming of a new Cabinet in Korea. We note the appointment on October 14 of a new Cabinet in the Republic of Korea. This Cabinet change came in the wake of the tragic assassination of several key Korean officials in the October 9 Rangoon terrorist attack. [8]

We have previously expressed our shock and sorrow concerning the Rangoon tragedy, and our own sense of loss over the deaths of the admirable public servants who lost their lives in that attack, men known to us both as professional colleagues and friends.

We wish to extend our best wishes to the new members of the Korean Government as they take up their heavy responsibilities. We have had the privilege of working with many of them in the past, and look forward to continued close cooperation in the future.

Document 499

Transcript of an Interview With President Reagan, November 7, 1983 [9]

Korean Restraint Despite Provocations

Q. This is my once-in-a-lifetime opportunity. Thank you very much.

Mr. President, it seems to me that the timing of your visit to Korea couldn't be more timely and appropriate to witness the anger and sorrow of the Korean people. What significance do you give to your forthcoming visit to Korea?

THE PRESIDENT. Hopefully, to talk over any problems we may have, although they would be very few because of the strong relationship that we have there. Certainly, my visit was not planned with these tragedies in mind that have taken place. But the very fact that they have and the two great tragedies that have befallen your own country, the airplane massacre [10] and then the terrible deeds in Rangoon make it even more imperative that we continue to strengthen the bonds between our two countries. So, I'm looking forward to this trip.

President Chun visited us here and I'm happy to have the opportunity to make a return visit over there to—well, I guess it could be summed up in that I think it's important that people talk to each other instead of about each other.

Q. Last week, the Burmese Government announced officially that the North Koreans were fully responsible for the recent murder of 17 Korean Government officials and journalists. Yet the Government of Korea was very restrained in its response to this senseless provocation in Burma. America also has had a similar experience, terrorist acts, most recently in Beirut. [11] How, Mr. President, can we prevent such uncivilized acts in the future?

THE PRESIDENT. Let me say, first of all, that I admire your government's restraint under this extreme provocation. It's very easy and I know it's only human to want to strike out in retaliation. I had those same feelings about the tragedy in Beirut. But getting the people directly responsible and doing something to indicate that terrorism does have its punishment is a little different than just blindly striking out and

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[7] Source: Office of Press Relations, Department of State. The statement was made at the Department of State Daily Press Briefing beginning at 12:10 p.m.

[8] See *supra*.

[9] Source: White House Press Release, November 7, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, November 14, 1983, pp. 1541–1543. President Reagan was interviewed in the Library of the White House beginning at 11:53 a.m. The transcript of the interview was released at 6 p.m. the same day. The interview was taped for later broadcast in the Republic of Korea.

[10] Reference is to the shooting down of a Korean Air Line passenger aircraft by a Soviet fighter plane with the loss of 269 people on September 1, 1983.

[11] Reference is to the loss of 239 American Marines of the peacekeeping force in Beirut, Lebanon, who were killed by a bomb at their base at Beirut International Airport on October 23, 1983.

that's why, as I say, I admire the restraint that your government has shown.

The main thing that we must do about terrorism, though, is show the terrorists that it doesn't work. We know that the terrorism against our own people in Beirut was designed to make us retreat, to make us say, "Well, we'll take our men out of there. We'll abandon the mission that they were sent to perform." We're going to prove to them that terrorist acts are not going to drive us away.

And, in the meantime, I think that all of us must recognize the savagery of those who are responsible for these things and, thus, make sure that we've taken every step we can for the protection of our people and our personnel.

And beyond that, we just have to, as we have an expression, "stay the course."

Q. Next question is about the Pacific Basin community evolution. A close cooperation among Pacific Basin nations is necessary to take a full advantage of the region's potential. In this context, President Chun of Korea has proposed a summit conference to discuss a closer cooperation. My question is: What future role is the United States playing in the Pacific region?

THE PRESIDENT. I think a very close role because the United States is a Pacific nation also. I was Governor of California for 8 years and I came to realize, with our 1,100-mile frontage on the Pacific Ocean, that we are a nation of the Pacific Basin. So, I foresee much greater and closer cooperation and relationship between the United States and the nations of East Asia and look forward to it because I think that is the new frontier in the world.

Q. Korea is among America's top ten—to be exact, ninth—trading partners in terms of trade volume. However, complaints of protectionism have been heard by both sides. Mr. President, how can we best ensure that our trading relationship grows and prospers without any friction?

THE PRESIDENT. I think, again, that this is one of the things to be talked about, because we know from history and experience that protectionism might have a short-term advantage. But in the long range, it destroys prosperity. It doesn't create it. And since we are such close trading partners—in fact, we import more from Korea than any other country in the world. And I think that, where there are friction points with regard to trade restrictions, tariffs or whatever, we must study every one of those and make sure that we do not drift into protectionism, but have the ultimate in free trade between us.

Q. Prior to your taking office, the withdrawal of American troops from Korea was proposed by a previous administration. I understand you have no plan either to reduce or withdraw American troops from Korea. My question is: Do you think, however, that one division of combat troops is enough in size to deter a North Korean attack?

THE PRESIDENT. Right now, yes. I believe that it is, and with the knowledge of other forces that we have within range. And part of that is because of the great development of the Republic of Korea's own military forces and the great progress that has been made there. At the same time, we continue to watch this. When it was advocated that we withdraw those troops, before I was President—just as a citizen and a candidate—I objected and disapproved of that suggestion. So, I think it is imperative that, while we see no need now for a change, we continue to observe closely. And if ever we feel the tensions have reached a point where that would be necessary that we augment those troops, that we do so.

We are allied with South Korea. We have been now—as a matter of fact, we're observing the 100th year of a relationship with your country. So I feel what is there is adequate mainly because of the strength of the Korean forces, themselves. Adequate now, but we'll do whatever is necessary.

Q. The Republic of Korea and the PRC, that's China, currently have no diplomatic relations. While the PRC continues to support North Korea, their attitude toward Korea considerably seems to have softened since the normalization of the diplomatic relation with the United States. My question is, what do you feel are the prospects for normal relations between the PRC and the Republic of Korea?

THE PRESIDENT. I would think that it would be stabilizing to the entire area and that, while care be exercised, both countries should seriously look at the possibilities and the prospects for a better relationship.

Q. You have visited [Korea] when you were Governor of California. What impression did you have about Korea and its people, sir?

THE PRESIDENT. From all that I have known of an earlier Korea and what I saw there on that visit made me think that I was living in the presence of a miracle. The great development of Korea, the modernization that had taken place, it was a thriving, energetic, industrial, and very productive society that I saw and I came away greatly impressed.

Q. In recent weeks, U.S. economy has shown a good sign of turn after the long recession. What is, Mr. President, your assessment for the outlook of the world's economy in the coming months?

THE PRESIDENT. I'm convinced that we are, here in our country, on the road to a solid recovery. We have brought inflation down to a fraction of what it was, we've cut our interest rates in half—we have much further to go in that—and our unemployment is dropping rapidly. As a matter of fact, just last month, our unemployment reached a point that in our most optimistic predictions, we had thought we wouldn't reach for another year or more, and I believe that the United States recovering that much can have an effect worldwide in the other countries where recession has prevailed. So that, I'm optimistic that we are on our way to a solid recovery and it will be worldwide.

Q. Thank you, Mr. President, and please have a nice trip.

THE PRESIDENT. Thank you very much. I'm looking forward to it.

Document 500

Address by President Reagan Before the South Korean National Assembly, Seoul, November 12, 1983 [12]

U.S. Support and Friendship for South Korea

Speaker Chae, Vice Speaker Yun, Vice Speaker Ko, distinguished Members of the National Assembly and honored guests, I'm privileged to be among such friends. I stand in your Assembly as Presidents Eisenhower and Johnson have stood before me. And I reaffirm, as they did, America's support and friendship for the Republic of Korea and its people. (Applause.)

Not long after the war on this peninsula, your President paid a visit to Washington. In his remarks at the state dinner, President Eisenhower spoke of the Korean people's courage, stamina and self-sacrifice. He spoke of America's pride in joining with the Korean people to prevent their enslavement by the North. In response, your first President expressed his country's deep, deep appreciation for what America had done. He concluded by saying, "I tell you, my friends, if I live hundreds of years, we will never be able to do enough to pay our debt of gratitude to you."

Well, I have come today to tell the people of this great nation: your debt has long been repaid; your loyalty, your friendship, your progress, your determination to build something better for your people has proven many times over the depth of your gratitude. In these days of turmoil and testing, the American people are very thankful for such a constant and devoted ally. Today, America is grateful to you. (Applause.)

And we have long been friends. Over a hundred years ago when American ships first approached Korea, our people knew almost nothing of each other. Yet, the first words from the kingdom of Chosun to the

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[12] Source: *Weekly Compilation of Presidential Documents*, November 21, 1983, pp. 1573–1576. The President spoke at 12:30 p.m. in the Assembly Chamber of the National Assembly Building. President Reagan visited South Korea, November 12–14, 1983.

emissaries from America were words of welcome and hope. I would like to read part of that greeting to the Americans, because it tells much of the Korean people's character.

> "Of what country are you? Are you well after your journey of 10,000 (Lee) through winds and waves? Is it your plan to barter merchandise? Or do you, rather, wish to pass by to other places and to return to your native land? All under heaven are under one original nature. Clothes and hats are very different. And language is not the same. Yet, they can treat each other with mutual friendship. What your wish is, please make it known."

The journey from America is, now, swift. The winds and waves no longer endanger our way. But the rules of conduct which assist travelers are the same today as they were over a century ago, or even in ancient times. The weary are restored, the sick healed, the lost sheltered and returned safely to their way. This is so on all continents among civilized nations.

Our world is sadder today, because these ancient and honorable practices could not protect the lives of some recent travelers. Instead of offering assistance to a lost civilian airliner, the Soviet Union attacked. Instead of offering condolences, it issued denials. Instead of offering reassurances, it repeated its threats. Even in the search for our dead, the Soviet Union barred the way. This behavior chilled the entire world. The people of Korea and the United States shared a special grief and anger. My nation's prayers went out to the Korean families who lost loved ones even as we prayed for our own. May I ask you, today, to pause for a moment of silence for those who perished. Please join me in this tribute in which the spirit of our two peoples will be as one. Amen.

In recent weeks, our grief deepened. The despicable North Korean attack in Rangoon deprived us of trusted advisors and friends. So many of those who died had won admirers in America as they studied with us or guided us with their counsel. I personally recall the wisdom and composure of Foreign Minister Lee, with whom I met in Washington just a few short months ago. [13] To the families and countrymen of all those who were lost America expresses its deep sorrow.

We also pledge to work with your government and others in the international community to censure North Korea for its uncivilized behavior. (Applause.) Let every aggressor hear our words because Americans and Koreans speak with one voice. People who are free will not be slaves and freedom will not be lost in the Republic of Korea. (Applause.)

We in the United States have suffered a similar savage act of terrorism in recent weeks. Our Marines in Lebanon were murdered by madmen who cannot comprehend words like "reason" or "decency." They seek to destroy not only peace, but those who search for peace. We bear the pain of our losses just as you bear the pain of yours. As we share friendship, we also share grief.

I know citizens of both our countries as well as those of other nations do not understand the meaning of such tragedies. They wonder why there must be such hate. Of course, regrettably there is no easy answer. We can place greater value on our true friends and allies. We can stand more firmly by those principles that give us strength and guidance and we can remember that some attack us because we symbolize what they do not: Hope, promise, the future. Nothing exemplifies this better than the progress of Korea. Korea is proof that people's lives can be better. And I want my presence today to draw attention to a great contrast. I'm talking about the contrast between your economic miracle in the south and their economic failure in the north. (Applause.)

In the early years following World War II, the future of Korea, and of all Asia, was very much in doubt. Against the hopes of Korea and other new nations for prosperity and freedom stood the legacies of war, poverty and colonial rule.

In the background of this struggle, the great ideological issues of our era were heard: Would the future of the region be democratic or totalitarian? Communism, at that time, seemed to offer rapid industrialization. The notion that the people of the region should govern their own lives seemed to some an impractical and undue

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[13] Lee Bum Suk, South Korean Foreign Minister killed in Rangoon, Burma, October 9, 1983, had visited the United States from April 27 to May 5, 1983.

luxury. But Americans and the people of Korea shared a different vision of the future. (Applause.) Then North Korea burst across the border intent on destroying this country. We were a world weary of war, but we did not hesitate. The United States, as well as other nations of the world came to your aid against the aggression, and tens of thousands of Americans gave their lives in defense of freedom.

As heavy as this price was, the Korean people paid an even heavier one. Civilian deaths mounted to the hundreds of thousands. President Johnson said before this very assembly, "Who will ever know how many children starved? How many refugees lie in unmarked graves along the roads south? There is hardly a Korean family which did not lose a loved one in the assault from the North."

In 1951 in the midst of the war, General Douglas MacArthur addressed a joint session of our Congress. He spoke of you saying, "The magnificence of the courage and fortitude of the Korean people defies description." As he spoke those words, our Congress interrupted him with applause for you and your people. (Applause.)

After the war, Koreans displayed that same fortitude. Korea faced every conceivable difficulty. Cities were in ruins; millions were homeless and without jobs; factories were idle or destroyed; hunger was widespread; the transportation system was dismembered; and the economy was devastated as a result of all these plagues.

And what did the Korean people do? You rebuilt your lives, your families, your homes, your towns, your businesses, your country. And today the world speaks of the Korean economic miracle. The progress of the Korean economy is virtually without precedent. With few natural resources other than the intelligence and energy of your people, in one generation you have transformed this country from the devastation of war to the threshold of full development.

Per capita income has risen from about $80 in 1961 to more than 20 times—$1,700 today. Korea has become an industrial power, a major trading nation, and an economic model for developing nations throughout the world. (Applause.)

And you have earned the growing respect of the international community. This is recognized in your expanding role as host to numerous international events, including the 1986 Asian games and the 1988 Olympics. (Applause.)

Now as the years have passed, we know our vision was the proper one. North Korea is one of the most repressive societies on earth. It does not prosper, it arms. The rapid progress of your economy and the stagnation of the North has demonstrated perhaps more clearly here than anywhere else the value of a free economic system. Let the world look long and hard at both sides of the 38th Parallel, and then ask: "Which side enjoys a better life?"

The other side claims to be the wave of the future. Well, if that is true, why do they need barriers, troops, and bullets to keep their people in? The tide of history is a freedom tide, and communism cannot and will not hold it back. (Applause.)

The United States knows what you've accomplished here. In the 25 years following the war, America provided almost five and a half billion dollars in economic aid. Today, that amounts to less than six months' trade between us. That trade is virtually in balance. We are at once Korea's largest market and largest source of supplies. We're a leading source of the investment and technology needed to fuel further development. Korea is our ninth largest trading partner and our trade is growing.

Korea's rapid development benefited greatly from the free flow of trade which characterized the 1960's and 1970's. Today, in many countries, the call for protectionism is raised. I ask Korea to join with the United States in rejecting those protectionist pressures to ensure that the growth you have enjoyed is not endangered by a maze of restrictive practices. (Applause.)

And just as we work together toward prosperity, we work toward security. Let me make one thing very plain. You are not alone, people of Korea. America is your friend and we are with you. (Applause.) This year marks the 30th anniversary of the Mutual Defense treaty between the United States and the Republic of Korea. [14] The preamble to that treaty af-

[14] 5 UST 2368.

firms the determination of our two countries to oppose aggression and to strengthen peace in the Pacific. We remain firmly committed to that treaty. We seek peace on the peninsula. (Applause.)

And that is why United States soldiers serve side by side with Korean soldiers along your demilitarized zone. They symbolize the United States' commitment to your security and the security of the region. The United States will stand resolutely by you, just as we stand with our allies in Europe and around the world. (Applause.)

In Korea, especially, we have learned the painful consequences of weakness. I am fully aware of the threats you face only a few miles from here. North Korea is waging a campaign of intimidation. Their country is on a war footing, with some 50 divisions and brigades and 750 combat aircraft. The North has dug tunnels under the demilitarized zone in their preparations for war. They are perched and primed for conflict. They attacked you in Rangoon, and yet, in spite of such constant threats from the North, you have progressed.

Our most heartfelt wish is that one day the vigil will no longer be needed. America shares your belief that confrontation between North and South is not inevitable. Even as we stand with you to resist aggression from the North, we will work with you to strengthen the peace on this peninsula. (Applause.)

Korea today remains the most firmly divided of the states whose division stemmed from World War II. Austrian unity was reestablished peacefully 10 years after the war. Germany remains divided, but some of the pain of that division has been eased by the Inner-German Agreement of a decade ago. I know the Korean people also long for reconciliation. We believe that it must be for the people of this peninsula to work toward that reconciliation and we applaud the efforts you've made to begin a dialogue. For our part, we would, as we've often stressed, be willing to participate in discussions with North Korea in any forum in which the Republic of Korea was equally represented. The essential way forward is through direct discussions between South and North.

Americans have watched with a mixture of sadness and joy your campaign to reunite families separated by war. We have followed the stories of sisters torn apart at the moment of their parents' deaths; of small children swept away in the tides of war; of people who have grown old not knowing whether their families live or have perished.

I have heard about the program that uses television to reunite families that have been torn apart. Today, I urge North Korea: It is time to participate in this television reunification program, and to allow your people to appear. (Applause.) I would say to them whatever your political differences with the South, what harm can be done by letting the innocent families from North and South know of their loved ones' health and welfare? Full reunification of families and peoples is a most basic human right.

Until that day arrives, the United States, like the Republic of Korea, accepts the existing reality of two Korean states and supports steps leading to improved relations among those states and their allies.

We have also joined with you over the past 2 years in proposing measures which, if accepted, would reduce the risk of miscalculation and the likelihood of violence on the peninsula. The proposals we have made, such as mutual notification and observation of military exercises, are similar to ones negotiated in Europe, and observed by NATO and the Warsaw Pact. These proposals are not intended to address fundamental political issues, but simply to make this heavily armed peninsula a safer place. For we must not forget that on the peninsula today there are several times more men under arms and vastly more firepower than in June of 1950. We will continue to support efforts to reduce tensions and the risks of war. (Applause.)

I have spoken of the need for vigilance and strength to deter aggression and preserve peace and economic progress. But there is another source of strength and it is well represented in this Assembly. The development of democratic political institutions is the surest means to build the national consensus that is the foundation of true security. (Applause.)

The United States realizes how difficult political development is when, even as we speak, a shell from the North could de-

stroy this Assembly. My nation realizes the complexities of keeping a peace so that the economic miracle can continue to increase the standard of living of your people. The U.S. welcomes the goals that you have set for political development and increased respect for human rights for democratic practices. We welcome President Chun's farsighted plans for a constitutional transfer of power in 1988. Other measures for further development of Korean political life will be equally important and will have our warm support. (Applause.)

This will not be a simple process because of the ever-present threat from the North. But I wish to assure you once again of America's unwavering support and the high regard of democratic peoples everywhere as you take the bold and necessary steps toward political development.

Over 100 years ago you asked earlier American travellers to make their wishes known. I come today to you with our answer: Our wish is for peace and prosperity and freedom for an old and valued ally. (Applause.)

In Washington several weeks ago, a memorial service was held for those who had perished on Flight 007. During that service, a prayer was read. I would like to read you that prayer because it is a prayer for all mankind.

"O God . . .

Look with compassion on the whole human family;

Take away the arrogance and hatred which infect our hearts;

Break down the walls that separate us;

Unite us in bonds of love;

And work through our struggle and confusion to accomplish your purposes on earth;

That, in your good time, all nations and races may serve you in harmony. . . ."

That, too, is our wish and prayer. (Stay in peace.) (Applause.) Thank you and God bless you. (Applause.)

Document 501

Remarks by President Reagan, Seoul, November 12, 1983 [15]

Democracy in Korea

Ladies and gentlemen, good evening. Nancy and I are honored to be so warmly greeted by your distinguished group.

We've come to Korea to demonstrate the deep and affectionate concern that the American people have for your country. Our hearts went out to you in the wake of the two murderous attacks on your citizens, and we came today to say that we'll continue to steadfastly stand by you. We hope our presence in your country will show the world our firm support for Korea.

Probably the most important contribution we can make here is to continue helping protect your national security. Our shared commitment to your defense is symbolized by the presence of American soldiers standing with Koreans along the demilitarized zone. This is the shield that enables you to pursue your bold economic and political objectives.

We also support your development of a democratic political system. As you know, the United States pays close attention to political developments in Korea, particularly those that are affecting democratic rights—a matter very important to Americans. We do this not because we believe our security commitment gives us a right to intervene in your internal affairs, but simply because such issues are at the center of our own political ideology and, we feel, are reflected, then, in our foreign policy.

But in approaching such internal matters, I believe it's important to adhere to the discipline of diplomacy, rather than indulging in public posturing. This has been the policy of our administration throughout the world. Where we feel strongly about a particular situation, we make our views known, often quite candidly, to the

[15] Source: *Weekly Compilation of Presidential Documents*, November 21, 1983, p. 1577. The President spoke at 6:45 p.m. at a reception for Korean community leaders held at the U.S. Embassy.

appropriate level of the government concerned.

I have faith in the Korean people's ability to find a political system meeting their democratic aspirations, even in the face of the heavy security challenge presented by the North. You have accomplished so much already in the face of that threat. Who would have predicted a mere 20 years ago that an impoverished Korea would become one of the world's legendary economic success legends?

This was a Korean accomplishment. Your friends offered help and guidance as these were needed, but they didn't seek to dictate your course. Political development may, in some respects, be a more difficult process, but it, too, is one in which you alone must control.

I respect and strongly support President Chun's pledge to turn over power constitutionally in 1988. This will be an invaluable political legacy to the Korean people. And I believe in the will and ability of the Korean people to develop the foundations required for viable democratic institutions. The shared democratic aspirations of our two peoples are important to our relationship, and continued progress toward the broadening of democracy in Korea strengthens the ties between our two countries. As you continue along this path of political evolution, you do so with our deep support, our affection, and our prayers.

And, again, we thank you from the bottom of our hearts for your warm and very gracious welcome from the first moment that we arrived here today. We are deeply grateful. God bless you.

Document 502

Joint Statement Issued by the United States and South Korean Governments, Seoul, November 14, 1983 [16]

U.S.-Korean Relations

1. At the invitation of President Chun Doo Hwan, the President of the United States and Mrs. Ronald W. Reagan paid a state visit to the Republic of Korea from November 12 to 14, 1983. The two Presidents met at the Blue House on November 12 and again on November 13 for discussions of both bilateral and world affairs. The talks were held in a most cordial and open atmosphere.

President Reagan addressed the National Assembly, visited field installations of both the Korean and the United States Armed Forces, and also met with senior Korean officials, other Korean citizens, and a group of American businessmen.

2. President Chun expressed his appreciation to President Reagan for America's steadfast support in the wake of the tragedies which the people of Korea have endured so recently: the September 1 Soviet attack on a Korean civil airliner, and the October 9 North Korean terrorist attack in Burma which tragically claimed the lives of 17 innocent Koreans, among them many of the nation's most important leaders in economics, diplomacy, and politics.

Both Presidents noted the thorough and conclusive investigation by the Government of Burma of the Rangoon bomb atrocity, which has produced unequivocal evidence that the North Korean regime perpetrated this deliberate act of state terrorism. They agreed that such acts cannot be tolerated, and called for effective international sanctions against North Korea. President Reagan affirmed his admiration for the resolution and courage of the Korean people and their leaders in the face of these barbaric acts.

President Chun expressed his condolences to President Reagan and the American people on the tragic loss of life caused by the October 23 attack on the United States Marine Barracks in Beirut. President Chun and President Reagan joined in declaring the unswerving opposition of the Korean and American peoples to such acts of terrorism, and pledged continued efforts to remove the scourge of terrorism from the earth.

3. The two Heads of State exchanged views on a variety of international issues of mutual concern. President Reagan outlined United States determination to strengthen the defenses of the United

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[16] Source: *Weekly Compilation of Presidential Documents*, November 21, 1983, pp. 1582–1585. The statement was issued at the conclusion of President Reagan's State visit to South Korea.

States and its allies around the world, to bring about a reduction of tensions in volatile regions such as the Middle East, and to reach an agreement with the Soviet Union to reduce the global deployment of strategic weapons.

President Chun explained in detail the overall security situation on the Korean peninsula with particular reference to the continuing threat from North Korea, reflected in its military buildup and aggravated by its domestic problems.

Both Presidents reaffirmed the importance of maintaining deterrence and stability on the Korean peninsula, thereby ensuring peace there and in Northeast Asia, a region of critical strategic significance.

President Reagan stated that the United States would continue to fulfill its role and responsibilities as a Pacific power, dedicated to maintaining peace and stability in the region. President Chun avowed his full support for these efforts.

4. In particular, President Reagan, noting that the security of the Republic of Korea is pivotal to the peace and stability of Northeast Asia and in turn, vital to the security of the United States, reaffirmed the continuing strong commitment of the United States to the security of the Republic of Korea. The two Presidents pledged to uphold the obligations embodied in the Republic of Korea–United States Mutual Defense Treaty signed in 1953, noting the success of that alliance in deterring aggression for more than thirty years.

President Reagan stressed that the United States would continue to maintain United States forces in Korea and to strengthen their capabilities. President Chun reaffirmed his support for the presence in Korea of American military forces as part of the United Nations and Combined Forces Commands.

President Reagan noted that Korea spends six percent of its GNP on defense and further noted the efforts of the Republic of Korea to modernize and upgrade its defense capabilities. The two Presidents concurred that this program is essential if peace is to be maintained. President Reagan reconfirmed that the United States will continue to make available the weapons systems and technology necessary to enhance the strength of Korea's armed forces.

5. President Chun explained the Korean government's continuing efforts for the resumption of dialogue between South and North Korea and its policy for peaceful reunification with a view to easing tensions on the Korean peninsula, and achieving the Korean people's long-cherished aspiration for peaceful reunification. Expressing support of the United States for the sincere and patient efforts of the Republic of Korea, President Reagan especially noted President Chun's comprehensive Proposal for Democratic Reunification through National Reconciliation put forth on January 22, 1982.

President Reagan reconfirmed that the United States would not undertake talks with North Korea without full and equal participation of the Republic of Korea. The two Presidents reaffirmed that any unilateral steps toward North Korea which are not reciprocated toward the Republic of Korea by North Korea's principal allies would not be conducive to promoting stability or peace in the area.

6. President Reagan expressed his admiration and support for the expanding and increasingly active international diplomacy of the Republic of Korea, and took note of the determination of the Republic of Korea to pursue an open door policy of dialogue with all nations.

The two Presidents noted the significance of their respective nation's role as the hosts to important global gatherings and events, including the Los Angeles Olympics of 1984 and the Seoul Olympics of 1988. Both countries will abide by their commitments to admit representatives of all nations to participate in these international events.

7 Recognizing the growing importance of the Asia-Pacific region and also the growing sense of community among the Pacific rim countries, the two Presidents agreed that frequent exchanges at all levels among the nations of the Pacific are necessary to enhance regional cohesion. They also agreed that multilateral relations among the countries in the region should be further strengthened in the fields of trade, finance, science, technology, culture, and tourism.

8. The two Presidents expressed their belief that the Republic of Korea should be accepted in the United Nations pursuant to the principle of universality of the U.N. and that the entry of the Republic of

Korea to the U.N. would contribute both to the reduction of tensions on the Korean peninsula and the maintenance of international peace. President Reagan promised continuing support for the entry of the Republic of Korea into the U.N.

9. The two Presidents affirmed the importance of defending and strengthening freedom and the institutions that serve freedom, openness, and political stability.

10. President Chun and President Reagan exchanged views on a range of economic issues. They noted the importance of ensuring that global economic recovery not be hindered by reversion to protectionism. In particular, President Reagan welcomed the trade liberalization measures being undertaken and planned by the Korean government, despite its continuing deficit in foreign trade and the global trend of protectionism. Both Presidents agreed that such steps are an example of the positive actions all trading nations must take to defend the world trade system against protectionist attacks and recognized an urgent need for concerted international efforts in this direction.

Both Presidents noted with satisfaction the continued expansion of bilateral trade, which totaled over $11 billion in 1982, making the Republic of Korea one of the United States' most important trading partners and fifth largest market for United States agricultural products, and the United States the Republic of Korea's largest trading partner in exports as well as imports. They agreed that this continued growth of bilateral trade attests to the vitality of U.S.-Korean economic relations.

President Chun also expressed his appreciation for President Reagan's strong commitment to free trade and hoped that the Republic of Korea's major export commodities will be given greater access to the United States market with the continuation of the Republic of Korea's eligibility for GSP benefits on a non-discriminatory basis. President Reagan took note of President Chun's views on these issues. In this regard, both Presidents recognized the necessity of coordinated actions by their respective governments to reduce various tariff and non-tariff barriers.

11. President Chun explained the recent efforts by the Korean government to create a more favorable environment for foreign investment in the Republic of Korea and invited the United States to take advantage of such improved opportunities. Both Presidents noted that a hospitable climate for foreign investors in both countries will continue to contribute to the flow of technology and to an expansion of employment opportunities in the Republic of Korea and the United States. Both Presidents also noted that the continued participation of American firms in the Republic of Korea's major development projects by providing competitively priced and high-quality goods and services is another indication of the strong and cooperative economic ties that link the Republic of Korea and the United States.

12. Presidents Chun and President Reagan discussed prospects for further broadening cooperation in the fields of technology and energy. They agreed to further promote programs for scientific and technological cooperation.

President Reagan assured President Chun that the United States will remain a reliable supplier of energy resources and energy technology, and in particular, that the United States will seek to assist the Republic of Korea to obtain stable energy supplies in the event of a security emergency. In this regard, President Reagan noted positively the Korean government's efforts to build up energy reserves for economic emergencies. President Chun expressed his appreciation for the United States' pledge, and the Republic of Korea's interest in the purchase and development of energy resources in the United States.

13. President Chun and President Reagan took note of the strong and myriad bonds of friendship and cooperation that have linked the United States and the Republic of Korea in the post-war era, and judged those ties to be in excellent condition. As one reflection of the expanding scope and importance of those relationships, President Reagan informed President Chun of the intention of the United States to establish in the near future a consulate in Pusan, Korea's second greatest city and a focal point of the U.S.-Korean economic intercourse. President Chun welcomed that decision.

President Chun and President Reagan pledged to carry forward the full range of security, political, economic, scientific and cultural meetings and consultations on our joint agenda, in order to maintain and deepen our already excellent relations in those diverse fields.

14. The two Presidents underscored the necessity for the promotion of mutual understanding and exchanges between the Korean and American peoples, and agreed to work toward expanded cultural and educational exchanges. The two Presidents expressed their satisfaction with the promotion of American studies in the Republic of Korea as well as of Korean studies in the United States.

15. President and Mrs. Reagan expressed their deep appreciation to President and Mrs. Chun for the warm welcome they received in the Republic of Korea, and their heartfelt thanks to the people of the Republic of Korea for the hospitality, graciousness and good will they had been shown.

The two Presidents agreed that exchanges of visits between the two Presidents have contributed to the further development of the existing friendly relations between the two countries. In that context, President Reagan asked President Chun to visit Washington again at a mutually convenient time, and President Chun accepted that invitation with appreciation.

Document 503

Remarks by the Secretary of State (Shultz), Seoul, November 14, 1983 (Extract) [17]

U.S. Defense of South Korea

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MR. KALB. If we could switch to South Korea, Mr. Secretary, have there been assurances given, as reported here, that the United States will resort to nuclear retaliation if the Republic of Korea is attacked?

SECRETARY SHULTZ. No, that's not any way to put it. We certainly will stand with the South Koreans in the event of any attack and we have found both way back in the Korean War days and we find now that the deterrence we have here is very strong and powerful as it is.

MR. KALB. Briefly, are we planning to beef up the U.S. military strength in South Korea?

SECRETARY SHULTZ. We don't have any immediate plan to do that. On the other hand, we have forces nearby in Japan, in Okinawa, and in the event of some outbreak here, we could rapidly increase the size of our force.

MR. KALB. Do you see anything like that on the horizon?

SECRETARY SHULTZ. No, I don't.

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[17] Source: Department of State Press Release 392, November 14, 1983. Secretary Shultz was interviewed by Bernard Kalb on the NBC television program, "Today."

I. Philippines

Document 504

Prepared Statement by the Deputy Director for Southeast Asia, Office of the Assistant Secretary of Defense (International Security Affairs) (Meade), Before a Subcommittee of the House Foreign Affairs Committee, March 18, 1983 (Extract) [1]

Security Assistance for the Philippines

Mr. Chairman, again I thank you for this opportunity to offer comments from a defense perspective on the administration's foreign assistance requests—this time the requests for the Republic of the Philippines and the Republic of Indonesia. [2]

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[1] Source: *Foreign Assistance Legislation for Fiscal Years 1984–85: Hearings and Markup Before the Subcommittee on Asian and Pacific Affairs of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), Part 5, pp. 588–591.

[2] For Meade's prepared statement on Indonesia, see document 479.

PHILIPPINES

In April 1983, the United States and the Philippines will begin the first bilateral review of the Military Bases Agreement (MBA) since the conclusion of the 1979 amendments [3] to the original 1947 agreement. [4] The FY 1984 request for military assistance represents the final year of the 5-year pledge given by President Carter at the conclusion of the 1979 negotiations. [5] The Philippines will look to us to honor our 1979 "best effort" security assistance pledge. The Philippines will evaluate the strength of the U.S.-Philippine mutual security relationship by our continued willingness to supply military assistance for its ongoing program for modernizing the Philippine Armed Forces.

The United States and the Philippines share a long and distinguished history of cooperation and mutual assistance. Philippine and American troops fought together to resist the Japanese invasion in 1941–1942 and to liberate the Archipelago in 1944–1945. Throughout the post-World War II era, the United States and the Philippines have maintained a comprehensive mutual security relationship under three formal agreements: the Military Bases Agreement (MBA) of 1947; the Mutual Defense Treaty (MDT) of 1952; [6] and the Mutual Defense Agreement of 1953. [7] As a result of these mutual security agreements, for more than 35 years the United States has been able to utilize the strategically important military facilities at Clark Air Base, Subic Naval Base, and elsewhere in the Philippines. These facilities allow us to protect the Western Pacific sea and air lanes, project U.S. power into the Indian Ocean and beyond, and fulfill our obligation to defend the Philippines under our 1952 Mutual Defense Treaty. Over the last several years the U.S. presence in the Philippines has assumed heightened importance because of the Soviet naval buildup which includes the use of military facilities at Danang and Cam Ranh Bay in Vietnam. Furthermore, the role played by the Soviet Union in the continuing Vietnamese occupation of Kampuchea has magnified ASEAN-wide interest in tangible indications that the United States will retain its presence in the Southeast Asian area.

Security assistance to the Philippines demonstrates continued U.S. concern for peace and stability in Asia. It contributes directly to regional stability by assisting the Philippines in meeting its defense needs and advancing toward its stated goal of military modernization at a time when the Philippines has been especially hard-hit by the world recession. Budgetary constraints have caused serious problems for the Armed Forces of the Philippines (AFP) in sustaining force and equipment levels and carrying out modernization programs. At the same time our security assistance program allows the Government of the Philippines (GOP) to devote more of its scarce resources to economic and social development. It also provides tangible evidence of the value the U.S. places on strong and lasting ties with this ally.

Regarding the proposed FY 1984 security assistance program for the Philippines, I want to concentrate upon International Military Education and Training (IMET) and Foreign Military Sales (FMS) financing.

IMET—$1.3 Million

The proposed program would place its heaviest emphasis on professional training for selected junior and mid-level officers. It would also provide operational training in a variety of fields including communication and electronics, maintenance, logistics, and administration. The IMET program promotes U.S. rapport with AFP, helps develop AFP training capabilities, provides better understanding of the United States and its political institutions and policies, and develops skills for the effective operation and maintenance of U.S.-procured equipment and for the management of the Philippine defense establishment.

FMS Financing—$50 Million

At present the Government of the Philippines has not made its final decisions concerning utilization of FMS credits; however, it has approached us for planning data on a variety of items needed to modernize its armed forces including fixed and rotary wing aircraft, patrol craft, ground vehicles, engineering equipment, communications gear, computer equipment, and other defense articles. Given the complexity of the task of modernizing

[3] For text, see *American Foreign Policy: Basic Documents, 1977–1980*, pp. 1087–1088.
[4] For text, see 2 Bevans 55.
[5] For text, see 30 UST 886.
[6] For text, see 3 UST 3947.
[7] For text, see 4 UST 1682.

the armed forces, Philippine authorities have been moving deliberately before committing scarce resources. We expect final decisions on FMS utilization in the near future.

In closing my remarks about the Philippines, Mr. Chairman, I would emphasize the combination of improved Philippine self-defense capabilities, which result in part from our military assistance, and our continuing unhampered use of the base facilities in the Philippines. By maintaining U.S. military assistance and continuing the U.S. military presence at Clark and Subic, the United States enhances its own national security interests in the Western Pacific and simultaneously serves the interests of its ally, the Republic of the Philippines.

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Document 505

Letter From President Reagan to Philippine President Marcos, May 31, 1983 [8]

"This Review Underlines the Close and Historic Ties Linking Our Two Countries and Further Strengthens the Peace and Security of the Western Pacific Region"

DEAR MR. PRESIDENT: I was pleased to learn that our representatives have completed the review of the Military Bases Agreement [9] which was agreed to during your state visit to the United States last year. [10]

In light of this development, I wish to state that the Executive Branch of the United States Government will, during the five fiscal years beginning on October 1, 1984, make its best efforts to obtain appropriation of security assistance for the Philippines in the following amounts:

Military Assistance	$125,000,000
Foreign Military Sales Credits	$300,000,000
Economic Support Fund Assistance	$475,000,000

In this connection the United States Government will seek to provide the Foreign Military Sales Credit on the basis of a grace period of ten years and a repayment period of twenty years. As you are aware, under our constitutional system, the Congress has sole authority to appropriate funds.

I was also pleased to note that the Military Bases Agreement review confirmed that the Agreement continues to meet our mutual needs and interests. I believe that this review has again underlined the close and historic ties linking our two countries and will contribute to further strengthening the peace and security of the western Pacific region.

Sincerely,

RONALD REAGAN

Document 506

Joint Statement by the Governments of the United States and the Republic of the Philippines, June 1, 1983 [11]

Summary of U.S.–Philippines Military Bases Agreement

The Governments of the United States and the Republic of the Philippines have completed the scheduled fifth anniversary review of the 1947 Military Bases Agreement as called for in the 1979 amendment. Ambassador of the Philippines to the United States, Benjamin T. Romualdez, and Ambassador of the United States to the Philippines, Michael H. Armacost, headed the two panels which, in a spirit of

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[8] Source: Department of State *Bulletin*, August 1983, p. 21.

[9] Regarding this review of the Military Bases Agreement, see *infra* and document 507.

[10] President Marcos visited the United States from September 14 to 27, 1982.

[11] Source: Department of State *Bulletin*, August 1983, p. 19.

close and friendly cooperation, conducted discussions in Manila from April 11, 1983, to June 1, 1983.

Accordingly, a complete and thorough reassessment of the Military Bases Agreement and the manner of its implementation was accomplished to ensure that the agreement continues to serve the interests of both parties. The review resulted in the signing of a Memorandum of Agreement [12] between the two governments amending the Military Bases Agreement.

The Memorandum of Agreement contains provisions on:

A. Procedures for access of the Philippine Base Commander to the U.S. facilities and for the submission of information regarding U.S. force levels and their equipment and weapons systems in the Philippines;

B. The obligation of the U.S. Armed Forces personnel to respect Philippine law and to abstain from any political activity;

C. The U.S. pledge to cooperate with the Philippine Government in improving economic and social conditions in Angeles City and Olongapo City and surrounding areas;

D. The procurement of Philippine goods and services by the U.S. forces to the maximum extent feasible;

E. The modification of criminal jurisdiction arrangements in the event of war;

F. The review of the Base Labor Agreement within 6 months;

G. The withholding of income tax from Filipino employees working for the U.S. Armed Forces at U.S. facilities;

H. Procedures for securing exemption of U.S. Armed Forces personnel from Philippine travel tax and modification of automobile registration fees;

I. The establishment of a joint committee to facilitate more effective implementation of the Military Bases Agreement on a continuing basis. In addition, the joint committee will have the authority to review base areas that might be returned to the Philippines; study social, health, and other problems with a view to recommending programs and activities to improve conditions and enhance cordial relations between American personnel in the U.S. facilities and the surrounding Filipino communities; and address other topics relating to the implementation of the agreement.

The United States will allow the Armed Forces of the Philippines to procure fuel from the pipeline between Subic Bay Naval Base and Clark Air Base in accordance with existing U.S. procedures and policies regarding the acquisition of military items.

During the review, both parties took note of the importance of the Military Bases Agreement in serving the security interests of the United States and the Philippines and in furthering the strong traditional ties between the two countries. In the light of the satisfactory conclusion of the review of the Military Bases Agreement and with the view toward enhancing the Philippine contribution to regional peace and stability, President Reagan has conveyed in a letter to President Marcos the intent of the executive branch of the U.S. Government to make its best effort to obtain appropriations for the Philippines of $900 million in security assistance, including economic support funds. The appropriations, which are subject to U.S. congressional approval, will be sought over a 5-year period beginning in U.S. FY 1985 in the following amounts: grant economic support funds $475 million; foreign military sales credits $300 million; and grant military assistance $125 million.

[12] *Infra.*

Document 507

Memorandum of Agreement Between the United States and the Republic of the Philippines, June 1, 1983 [13]

1983 Military Bases Agreement

The exchange of notes between the Government of the Philippines and the Government of the United States amend-

[13] Source: Department of State *Bulletin*, August 1983, pp. 19–21.

ing the Military Bases Agreement,[14] dated January 7, 1979, provides: "In every fifth anniversary year from the date of this modification and until the termination of the Military Bases Agreement, there shall be begun and completed a complete and thorough review and reassessment of the agreement, including its objectives, its provisions, its duration, and the manner of implementation, to assure that the agreement continues to serve the mutual interests of both parties."[15]

Accordingly, discussions between representatives of the Government of the Philippines and the Government of the United States were conducted in Manila from April 11, 1983, to June 1, 1983. Pursuant to the understanding reached during the review, the Government of the Philippines and the Government of the United States agree to the following:

I. Operational Use of the Bases

Within the context of Philippine sovereignty, the operational use of the bases for military combat operations other than those conducted in accordance with the Philippines-United States Mutual Defense Treaty and the Southeast Asia Collective Defense Treaty (Manila Pact),[16] or the establishment by the Government of the United States of long-range missiles in the bases, shall be the subject of prior consultation with the Government of the Republic of the Philippines, notwithstanding the provision of the 1979 amendment to the Military Bases Agreement assuring the United States of unhampered military operations involving its forces in the Philippines.

II. Access and Information

With a view to keeping the Government of the Philippines fully informed about the activities of the United States forces in the Philippines, the following shall be established:

(1) The Base Commander and his designated representative shall have access to all areas of the United States facilities except cryptographic areas and areas where classified equipment or information is located. Access to areas where classified equipment or information is located shall be in accordance with mutually agreed procedures.

(2) The Government of the United States shall, within a reasonable period, inform the Government of the Philippines of the current level of the United States forces permanently stationed in the Philippines, and their equipment and weapons systems. Thereafter, the United States Government shall notify the Government of the Philippines of any major change in United States forces permanently stationed in the Philippines, and major changes in their equipment and weapons systems.

III. Respect for Philippine Law

It is the duty of members of the United States forces, the civilian component, and their dependents, to respect the laws of the Republic of the Philippines and to abstain from any activity inconsistent with the spirit of the Military Bases Agreement and, in particular, from any political activity in the Philippines. The United States shall take all measures within its authority to ensure that this is done.

The appropriate authorities of the Government of the Philippines and the Government of the United States shall cooperate in taking such steps as are necessary to prevent abuse of importation privileges granted to the United States personnel and their dependents pursuant to the Military Bases Agreement.

In this connection, the two Governments wish to reaffirm existing arrangements established in the prior agreements which provide for cooperation between the United States Armed Forces and Philippine authorities.

IV. Economic and Social Improvement of Areas Surrounding the Bases

The Government of the United States reaffirms the statements made by Secretary of State Cyrus Vance in his letter of January 6, 1979, to Minister for Foreign Affairs Carlos P. Romulo to the effect that the two Governments shall take steps to promote suitable projects in the base

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[14] For text, see *American Foreign Policy: Basic Documents, 1977–1980*, pp. 1087–1088.

[15] For text of this exchange of notes, see 30 UST 863 and 30 UST 883.

[16] Reference is to the Southeast Asia Collective Defense Treaty signed at Manila on September 8, 1954, by the United States, Australia, France, New Zealand, Pakistan, the Philippines, Thailand, and the United Kingdom, which came into force on February 19, 1955, when it had been ratified by the eight signatory states. (6 UST 81)

lands outside the United States facilities and the areas surrounding them and that the Government of the United States is prepared to consider, subject to the approval of the United States Congress, appropriate assistance for improving economic and social conditions in Angeles City and Olongapo City and surrounding areas and to relate these efforts of the Government of the United States to plans of the Government of the Philippines for the utilization of returned base land areas. Moreover, the United States Forces shall procure goods and services in the Philippines to the maximum extent feasible.

V. Criminal Jurisdiction

Paragraph 6 of the agreed official minutes regarding Article XIII of the Military Bases Agreement as revised by the Mendez-Blair agreement of August 10, 1965, [17] is amended to read:

"In the event of hostilities to which the provisions of Article V of the Mutual Defense Treaty apply, either the Government of the Philippines or the Government of the United States shall have the right, by giving sixty days notice to the other, to suspend the application of any provision of Article XIII of the Military Bases Agreement. If such notice is given, the two Governments shall immediately consult with a view to agreeing on suitable arrangements to replace the provisions suspended. Until new arrangements are concluded, the provisions of Article XIII shall continue to apply in full."

VI. Labor and Taxation

Representatives of the Government of the Philippines and the Government of the United States shall meet to discuss possible revisions of or alterations in the Agreement of May 27, 1968, [18] concerning the employment of Philippine nationals by the United States Forces in the Philippines in light of the critical contribution made by the Philippine national work force to the effective operation of the United States facilities and with a view to ensuring that labor relations involving the Philippine national work force remain harmonious and productive. These discussions shall begin within six months after the conclusion of the 1983 review of the Military Bases Agreement or on another date agreed upon. The discussions shall be conducted on the basis of the principles of equality of treatment, the right to organize and bargain collectively, and respect for the sovereignty of the Republic of the Philippines.

The Government of the United States shall make arrangements for the withholding, beginning October 1, 1983, of Philippine income tax from the salaries of Philippine nationals employed by the Armed Forces of the United States in connection with the construction, maintenance, and operation of the United States facilities, in accordance with applicable Philippine laws and regulations, except employees whose income is exempt from Philippine income taxation or who are members of the United States Armed Forces. The Government of the Philippines shall notify such employees of the United States that withholding has been initiated at the request of the Government of the Philippines and that the Government of the United States, in complying with that request, incurs no obligation with respect to any reduction in net compensation or payment which may result.

The Government of the Philippines shall adopt a simplified procedure to facilitate the travel of members of the United States Armed Forces, the civilian component, and their dependents, who shall continue to be exempt from the payment of the travel tax imposed under Presidential Decree No. 1183 of August 21, 1977.

With regard to automobiles imported into the Philippines under the Military Bases Agreement by members of the United States Armed Forces, the civilian component, and their dependents, charges imposed for the registration of those automobiles shall include only the actual registration and license plate fees.

VII. Joint Committee

A Military Bases Agreement Joint Committee shall be established as a means of consultation between the two Governments on matters regarding the implementation of the Military Bases Agreement which cannot be resolved between the Philippine Base Commander and the United States Facilities Commanders or any other matter regarding implementation of the Military Bases Agreement which either side wishes to bring before the Committee. The Military Bases Agree-

[17] For text, see 16 UST 1090.

[18] For text, see 19 UST 5892.

ment Joint Committee will assume responsibility for matters relating to that agreement referred to in paragraph 4A of Annex A of the exchange of notes of May 15, 1958, establishing the Philippine-United States Mutual Defense Board. [19] In view of its special character and composition, the Criminal Jurisdiction Implementation Committee will remain as presently constituted.

The Military Bases Agreement Joint Committee shall be composed of a representative of the Government of the Philippines and a representative of the Government of the United States, each of whom shall have one or more deputies and staff. The Committee shall determine its own procedures and arrange for such auxiliary organs and administrative services as may be required. The Committee shall be so organized that it may meet at any time at the request of the representative of either Government.

If the military Bases Agreement Joint Committee is unable to resolve any matter, it shall refer that matter to the respective Governments for further consideration.

This agreement shall enter into force upon signature. In witness whereof, the undersigned, being duly authorized by their respective Governments, have signed this agreement.

Done at Manila, in duplicate, this 1st day of June, 1983.

For the Government of the United States of America

MICHAEL H. ARMACOST

For the Government of the Republic of the Philippines

BENJAMIN T. ROMUALDEZ

[19] For text, see *American Foreign Policy, Current Documents, 1958* (Washington, 1962), pp. 1244–1249.

Document 508

Remarks by the Secretary of State (Shultz), Manila, June 25, 1983 [20]

The United States and the Philippines: A Very Special Relationship

President Marcos, Mrs. Marcos and all of those who you so graciously recognized at the beginning of your toast: You gave everybody an eloquent description of some of my various roles in life and I do recall I ran into one of the people I knew in Stanford who is sitting right down here. It reminds me when I went from the Government to business some years ago, I got asked a lot by students from Stanford, who said, "You've administered in business, what's the difference?" And I said, "Well, it's really very simple. I quickly learned when I went into business that you had to be very careful when you tell somebody who's working for you to do something because the chances were very high, he'd do it, whereas in government, you didn't have to worry, and in the university you weren't supposed to tell anybody to do anything in the first place." I had a longer answer, too.

But, Mr. President, I remember greeting you on the Monument Grounds when you came to Washington last September, you and Mrs. Marcos. I remember very well that visit in Washington and around the country, and I think throughout that visit you felt and you brought forth a warmth and enthusiasm from the American people for you and the people of the Philippines. I felt that warmth here when I arrived and Mrs. Marcos was so gracious to meet me and in this talk that we've had in this luncheon and these wonderful, talented young people who entertained us here. I might say it's the first time I've ever seen a fashion show. I hope it isn't the last. But it was a warm and wonderful performance and it does show the touch that there is

[20] Source: Department of State Press Release 230, June 27, 1983; printed also in Department of State *Bulletin*, September 1983, pp. 23–24. The Secretary made his remarks at a Malacanang luncheon. He visited the Philippines, June 24–26, 1983, during an extensive trip which also took him to Thailand, India, Pakistan, Syria, Saudi Arabia, Lebanon, Israel, Jordan, and Egypt. He returned to Washington on July 8.

between the people of the Philippines and the people of the United States.

I thought you might just dwell for a moment on what it is that accounts for this very special relationship. I think it is first of all a question of people who for decades have worked together, fought together, laughed together, and cried together. My wife sits beside you. She fought beside you when she returned with General MacArthur to the Philippines. There are close to 1 million American citizens who are of Filipino heritage. There is an extensive two-way traffic of people so that we see each other frequently and I think that in part accounts for this relationship.

We talked a bit earlier today about economic matters and, of course, there is a very considerable commercial relationship between our countries. I think the two-way trade more or less comes to about $4 billion in a year. The amount of U.S. investment in the Philippines is on the order of a billion and a half dollars. So these are very large sums and they represent a very considerable economic relationship. You were kind enough earlier to refer to a talk that I made a month or so ago having to do with the so-called North-South issues.[21] In that talk, you remarked that in so far as our economies are concerned, we are all in one boat, and we sail together and we have a stake together in how that boat operates. I think that we can take some comfort from the fact that there does seem to be a rise now in the tide of the world economy and it will help us all as our trade expands and, of course, it will help our whole set of financial problems.

I can't help but call attention to the courageous moves that you have taken, President Marcos, here recently. It seems to me that those moves and with the rise in the world economy that we're seeing, we're bound to see a very healthy Philippine economy as well as our own.

I might say that when we fought together, we fought in defense of freedom and democracy. Those are values that are cherished by both our peoples and we must continue to defend those values when they are challenged and work to promote and strengthen the institutions that embody them. So I welcome this opportunity to visit just after the successful conclusion of the review of our military bases agreement because it stands for the security element of our relationship and represents a further strengthening of military cooperation that goes back over 40 years. It has served our countries well and I think we can say that is has added stability to this region. We must also say that the framework of our relationship is a large one. It is not simply two countries that have a bilateral relationship but we share concern for this region and the setting of the ASEAN countries and I support, the President supports, the United States supports the efforts which you and the other ASEAN countries have been making to see if we can't give the country of Kampuchea back to its own residents and free them from the indignity of foreign occupation.

As I raise my glass to you, Mr. President, let me propose a toast: to your continued good health, to the preservation of friendship between our two countries, and to the success of our diplomats in their endeavor to bring peace to southeast Asia. To President Marcos and Mrs. Marcos.

[21] Reference presumably is to Secretary Shultz's speech to the Foreign Policy Association on May 26, 1983. For text, see *ibid.*, July 1983, pp. 57–61.

Document 509

Prepared Statement by the Assistant Secretary of State for East Asian and Pacific Affairs (Wolfowitz) Before a Subcommittee of the House Foreign Affairs Committee, July 17, 1983[22]

U.S.-Philippine Relations and the Military Bases Agreement Review

I am pleased to address today our overall relations with the Philippines, and the

[22] Source: *United States–Philippines Relations and the New Base and Aid Agreement: Hearings Before the Subcommittee on Asian and Pacific Affairs of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 22–30. Wolfowitz's prepared statement was submitted by Daniel A. O'Donohue, Deputy Assistant Secretary of State for East Asian and Pacific Affairs.

recently concluded 5-year review of our 1947 Military Bases Agreement. This review, completed in the relatively short period of 7 weeks, reflects the excellent state of our bilateral relations, and the important role Subic Bay Naval Base and Clark Air Base play in furthering our mutual security interests.

The Long Term Bilateral Relationship

The close ties between the United States and the Philippines span the twentieth century. It is a long and deep relationship. The United States influence in the Philippines has been a strong and positive one. And our own culture and society have been enriched in turn by our relationship with the Philippines and by the presence of the roughly 1,000,000 Filipino-Americans and Filipinos who live in the United States. Our longstanding economic ties are healthy also. The United States is still the largest market for Philippine goods, and the primary source of its foreign investment.

In addition to these shared personal and economic interests, our countries have been partners for decades in the effort to promote our common interest in regional stability and security. We were comrades-in-arms during World War II, and we have continued a close security partnership after the Philippines became independent in 1946. The treaty covering our bases dates back to 1947, our Mutual Defense Treaty to 1952.

The Role of the U.S. Military Presence

U.S. military forces in the Philippines are evidence of our abiding commitment to the Philippines under our Mutual Defense Treaty. This security relationship is in turn a key element of our policies toward Southeast Asia, which have contributed significantly to the peace, security and remarkable economic growth and political stability of the entire region.

Our facilities at Subic Bay and Clark Air Field play a crucial role in furthering our efforts:

—to provide an effective counterbalance in the area to the growing military power of the Soviet Union and its surrogates;

—to support our treaty commitments in East Asia;

—to support ASEAN and strengthen U.S. ties to ASEAN countries;

—to protect the sea and air lanes in and around an area that occupies an important place in world trade; and

—to provide the logistic support for U.S. forces in the Indian Ocean and Southwest Asia that help to maintain peace and stability and to protect vital interests of the United States—and of U.S. allies—in that important part of the world.

As President Marcos stated recently, all the countries in the region friendly to the United States approve of U.S. naval and air facilities in the Philippines, because they ensure the balance of power in Southeast Asia. A U.S. military withdrawal would only benefit those who wish to fill the resultant power vacuum.

Political Situation in the Philippines

Both teams of negotiators were well aware of these benefits as we entered the recent review of our bases agreement. But security factors were not the only concerns on our agenda.

Major military facilities, such as those we have in the Philippines, can only be effectively operated with the support of the host country's government and people. Maintaining needed support and warm relations between our countries, through due regard for Philippine sensitivities, was thus a major concern in our discussions on basing arrangements. Unfortunately, some criticism of the U.S. military presence has been an ingredient of Philippine politics for many years. In gauging the extent of such opposition, however, it is worth noting that, despite the considerable public scrutiny recently focused on the bases, our continued role does not appear to have been a major matter of contention. We believe the support we have enjoyed through various Philippine governments since WW II will continue.

Given our long-term security relationship with the Philippines, we also pay close attention to other domestic political developments, including human rights issues. The ending of martial law in 1981 brought with it some improvements in the civil liberties situation. However, progress has been uneven. In recent months the Marcos government has again introduced constraints. Controls on public assembly and the press have been eased, although at times controls on the press were reasserted. For example, the leading opposition newspaper was shut down, but an-

other opposition newspaper recently started publishing. There is criticism of the government and of government policies in the media, but it is subdued. One respected moderate opposition leader, the mayor of a large city in Mindanao, has been jailed. On balance, however, it is fair to say that in some respects the situation is improved over 1978, when we last discussed our military presence with the Philippine Government.

The increase in armed insurgent actions, however, has caused a serious problem of military excesses against civilians. The government knows that this is a problem, and has attempted to remedy it, but so far with little success. Recently, however, in the first action of its kind, two high ranking officers were convicted of abuses.

Human rights and church groups regularly bring these problems to the government's attention. The Catholic Church's recent pastoral letter on this and other problems was met with a declaration of the government's intent to engage in dialogue.

The United States, for its part, welcomes any efforts on the part of the government and concerned groups of Filipinos to address their problems through dialogue. We look toward the scheduled parliamentary elections in 1984, in which it is our expectation that all legitimate groups will have a fair chance to participate. These elections promise significant progress toward a more open political system. Meanwhile, we will continue to deal with human rights issues and problems in the Philippines through a policy of quiet dialogue with the government and extensive contact with a wide spectrum of Philippine society, including the legitimate opposition. This active policy is a fundamental part of our overall approach in the Philippines.

Terms of the 1983 MBA Review

Against this background of concerns, we conducted the recent 5-year review of the MBA. The key U.S. objectives were to enhance our two nations' mutual security; to ensure the continuation of unhampered use of the U.S. facilities, consistent with the respect due to Philippine sovereignty; and to facilitate resolution of practical problems—all with an eye to limited U.S. resources. I am pleased to report that we were able to accomplish these objectives. For its part, the Philippine Government stressed as did we its continuing sovereignty over the U.S. facilities.

While maintaining the essential structure of our current agreement, the review resulted in a series of new procedures and administrative arrangements to deal with the practical problems which inevitably arise in a close bilateral undertaking of this sort. The most important new provision is the establishment of a joint committee, similar to the ones we have with Japan and Korea, to facilitate implementation of the MBA. In addition, other noteworthy points included:

—Procedures for access of the Philippine Base Commander to the U.S. facilities.

—Procedures for the submission of information on U.S. force levels and their equipment and weapons systems.

—Procedures for securing exemption of U.S. Armed Forces personnel from Philippine travel tax and modification of automobile registration fees.

At the conclusion of the review, President Reagan transmitted a letter to President Marcos conveying the pledge of the executive branch to make its best efforts to provide $900 million in security assistance during the 5 fiscal years beginning October 1, 1984. The figure of $900 million was reached after consideration of the Philippine Government's economic development needs, its defense modernization goals, our current assistance efforts in the Philippines, and the decline in the real purchasing power of our assistance levels since the time of the last base review in 1979. Subject to the authorization and appropriation of funds by the Congress, the intention of the executive branch is to provide more than half of the package, $475,000,000, in Economic Support Funds. We shall soon begin planning with the Philippine Government on ESF projects and programs. These will be submitted to the Congress for approval during the normal budgetary process. We expect that some of the funds will be used to improve the social and economic conditions of areas adjacent to the bases, while most of the funds will be used on a nationwide basis in support of Philippine economic development priorities.

The rest of the proposed 5-year security assistance is military: $125,000,000 in MAP and $300,000,000 in Foreign Mili-

tary Sales Credit guarantees. This assistance would enable the Philippine military to begin to address seriously its modernization efforts, which in recent years have been affected adversely by Philippine Government budgetary constraints. We are committed to request the Congress for FMS credits having a 10-year grace period, and repayment over 20 years. Although we have not discussed specific Philippine military needs in connection with this assistance package, we would expect it, on the basis of past practice, to be used to purchase aircraft, helicopters, ground vehicles, engineering equipment, surface vessels, communications equipment and other defense articles.

To summarize, Mr. Chairman, the U.S.-Philippine relationship has over the years benefited the Philippines, the entire Southeast Asian region, and—by no means least—ourselves. We can take great pride in the contributions we have made to the area, and the positive role we have played. I would hope that we will continue to be an active player in this important part of the world for a long time to come. That is also the wish of leaders and people of the Philippines and of the peace-loving countries of the entire region.

Document 510

Statement Issued by the Department of State, August 21, 1983 [23]

The Death of Senator Benigno S. Aquino

The murder of Senator Benigno S. Aquino, Jr. [24] in Manila on August 21 is a cowardly and despicable act which the U.S. Government condemns in the strongest possible terms. The U.S. Government trusts that the Government of the Philippines will swiftly and vigorously track down the perpetrators of this political assassination, bring them to justice, and punish them to the fullest extent of the law. We extend our condolences to Senator Aquino's wife and children in Massachusetts and to his family, friends, and supporters in the Philippines.

Document 511

Transcript of the Department of State Press Briefing, August 22, 1983 (Extracts) [25]

Aquino Assassination

. . . . . .

Q. Can you tell us about the Philippines, and what it is that you can share with us?

A. We really don't have anything significantly new that hasn't already been reported in the various media reports from Manila. We still don't know the identity of the dead gunman who was dressed in the garb of an airport mechanic.

Our Embassy in Manila has been in close touch with all of the appropriate Philippine Government authorities on this political assassination. The Embassy will continue to maintain close contact with the Philippine Government. As we stated yesterday, we expect their investigation to be as objective and thorough as possible.

I might note that Embassy reporting indicates that the report alleging that Mr. Aquino was killed by shots from several security personnel using rifles is erroneous, and most likely the result of confused impressions from passengers who were inside the plane.

Q. How can you say with such certainty that those reports are erroneous?

A. Again, I'm basing this on the Embassy reporting. I don't know specifically what information they had, but that is what our information is.

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[23] Source: Office of Press Relations, Department of State.

[24] Benigno S. Aquino, Jr. was the principal leader of the democratic opposition to the Marcos regime. Following a 3-year, self-imposed exile in the United States, on August 21, 1983, Aquino returned to the Philippines and was shot to death in a Manila airport as he was stepping off the plane.

[25] Source: Office of Press Relations, Department of State. Alan Romberg, Department of State Acting Spokesman, conducted the briefing which began at 12:20 p.m.

Q. Meaning that you believe that Marcos has no responsibility for the killing at all?

A. I prefer to stick with what I've said. I'm not suggesting otherwise, but it's a little early to talk about specifically what happened. As I say, our reporting from our Embassy, which has looked into this and has been in touch with various people, indicates that the reports which were in the news yesterday that the security guards, several security guards shot Mr. Aquino, that reporting seems to be erroneous. I can only share with you what I've got. I don't think that I can really go beyond that. I think you have the text of what we said yesterday, [26] so I don't need to repeat it.

Q. Were you aware of threats to his life?

A. I think Mr. Aquino talked about being aware of threats to his life.

Q. Did you have any independent view?

A. I'm not going to go into what information we may or may not have had. The point is, that was hardly something that he was unaware of.

Q. Were there contacts between the Government of the United States and Mr. Aquino immediately before or in the weeks before his departure for his homeland?

A. I don't know whether there were contacts at that point. He certainly has been around quite a bit.

Q. Do you know whether the U.S. Government tried to dissuade him from returning to the Philippines?

A. I don't know the answer to that.

Q. Two related questions. First of all, does the Administration have any plans to send any kind of a delegation there either to involve itself in the investigation or to assist in the investigation in the Philippines, or is there any coordination of investigating with authorities here in the United States, perhaps dealing with events immediately prior to his departure?

A. I think it's premature to talk about what might happen as an investigation unfolds. I'm not aware of any plans at this point to send anybody. We indicated yesterday that we trusted that the Government of the Philippines would swiftly and vigorously track down the perpetrators of this political assassination, and bring them to justice and punish them.

I would note that President Marcos has stated that all the resources and powers of his government will be employed in the quickest possible time to find the perpetrators.

Q. Does your government put great trust in that statement?

A. We have expressed our feeling that, our trust that, that will be done; the President has said it will be done.

. . . . . .

Q. What is the status of the President's trip? Does he still plan to go to the Philippines? [27]

A. I think that the White House indicated yesterday that there's no current plan to change that trip.

Q. And also, can you tell us what sort of contacts the U.S. Government has had with the Philippines Government? Is our Ambassador there?

A. Yes, he is. I'm sorry.

Q. Has our Ambassador in the Philippines spoken to officials of the Philippine Government? What sort of contact has there been?

A. I can't detail it for you. As I said before, there has been communication with various parts of the Government of the Philippines, but I cannot detail it. I don't have that kind of detail. Ambassador Armacost is there, and certainly is actively attending to this.

Q. But obviously you have said that we expect a fair and impartial investigation. Surely, that is part of what has been passed on; we don't just make public statements like that, do we? We also tell them privately that that's our desire?

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[26] See *supra*.

[27] The President planned to visit Indonesia, Japan, Korea, the Philippines, and Thailand in early November 1983.

A. I guess that you put me in a position where I have to say we don't get into the details of our diplomatic exchanges. Our views on this subject are contained in our statement of yesterday and what I've said today.

I think it's fair to assume that the Government of the Philippines knows what our views are, but I just don't want to get into the exchanges.

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Q. Two Philippine-related questions, please. Is our government concerned that this assassination is going to fuel the insurgency that Mr. Marcos has said has been the reason for his continued, very strong authoritative rule?

A. I don't have a view to offer you on that.

Q. The opposition, the moderate opposition of the Philippines has seemed to have been coalescing in an anti-U.S. base philosophy. It's been getting harder and harder in the last year.

Is there concern on the part of our government that the assassination will fuel that?

A. Again, I don't have anything to offer you in a way of that sort of assessment today.

. . . . . .

A. Again, I don't have that information, and I think it probably gets us back into the area of communications between the governments which we are reluctant to comment on.

Again, as I answered Roberto before, Mr. Aquino certainly was talking about, aware of threats on his life and the fact that such threats existed was hardly a secret.

Q. The point is, did the U.S. Government know about these plots, and did the U.S. Government pass this information on by way of confirmation to Aquino before he left?

A. I'm not going to get into the kinds of conversations we may have had. The fact that there were reports of threats was well known to Mr. Aquino, and he talked about it to the press. I'm not sure what our conversations with him particularly would contribute—in talking about that here—would contribute to that. He knew he was going back to a situation in which people had talked about threats to his life. I think that's—in terms of judging his return—that's the salient point.

Q. It would help to understand whether the U.S. Government tried to dissuade him from going back.

A. I understand, but I think that it is not—I will check and see if anybody wants to talk further about those conversations, but I'm rather doubtful that I could get anything further for you on that.

Q. Is the information that you passed on to us before, in a flat-out statement that the reports were erroneous, and that comes from the Embassy, the Embassy talked to Philippine officials; is that where that information comes from? You're basing it all on what they told you?

A. I'm basing it on what the Embassy reported. As I indicated before, I do not have the backup to their judgment as reported to us.

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Document 512

Statement Issued by the Department of State, August 25, 1983 [28]

U.S. Position on Foreign Agents Operating on U.S. Territory

Q. What is our government's position on agents of foreign governments operating on the territory of the United States?

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[28] Source: Office of Press Relations, Department of State; posted statement. The statement was posted in response to a question asked at the Department of State Daily Press Briefing on August 24, 1983. The question, which was reiterated by several reporters at the August 25, 1983, Department of State Daily Press Briefing,

Continued

A. The U.S. Government is committed to taking all necessary measures to stop harassment and intimidation of persons in the United States by agents of foreign governments. We have made this policy known to other governments. The FBI investigates all allegations of such activity and if the allegations are substantiated, we will take appropriate measures. Further questions should be addressed to the FBI.

Document 513

Prepared Statement by the Deputy Assistant Secretary of State for East Asian and Pacific Affairs (Monjo) Before a Subcommittee of the House Foreign Affairs Committee, September 13, 1983 [29]

U.S.-Philippine Relations After the Aquino Assassination

I am pleased to address today the situation in the Philippines and the state of U.S.-Philippine relations following the assassination of Senator and opposition leader Benigno S. Aquino, Jr. in Manila on August 21 which has shocked the American people as it has Filipinos of all political persuasions. I realize, of course, Mr. Chairman, that you were personally acquainted with Mr. Aquino and returned to Manila after the assassination to express condolences to his family.

I intend to cover today the assassination and its impact on public opinion, the investigation, U.S. policy in the wake of the assassination, the President's planned visit to the Philippines in November, the stability of the Marcos Government, the U.S. military facilities and the economic situation. I will be joined by Mr. James Kelly, Deputy Assistant Secretary of Defense for East Asian and Pacific Affairs, who will deal with military aspects of your questions.

No discussion of the Philippines and U.S.-Philippine relations can begin without reference to the unique, long-term bilateral relationship of our two countries. It is vital that we underline the need for a policy that looks to the long-term in our relationship. Close ties between the U.S. and the Philippines go back to the turn of the century, and those ties include the shared suffering of World War II as well as that exhilarating moment of Philippine independence on July 4, 1946. Strong bilateral economic relations that still exist are a key element—the U.S. is still both the primary source of foreign investment in the Philippines and the largest market for Philippine goods. Both the U.S. Government and the private sector have played an important role in the economic development of the Philippines.

Perhaps because of our shared history, the United States and the Philippines have tended to view international security and political problems and issues in much the same way. In good times and bad the Philippines has often stood by our side. A key element in our bilateral relationship has been our common interest in security and regional stability, as manifested in our 1947 Military Bases Agreement, our 1952 Mutual Defense Treaty, and continuing close cooperation in defense and security matters. Just recently we rapidly and amicably concluded a review of our Military Base Agreement. The two military facilities in the Philippines fulfill a vital function in maintaining regional security and stability—a role that has been noted positively by virtually all of the countries of East Asia—and that stability in turn contributes to the remarkable economic growth of the entire area.

Another essential element of the relationship, of course, is people: those American teachers and government officials who introduced English and new institutions in the early days, the comrades in arms in World War II, those members of Philippine governments from President Roxas to President Marcos with whom a series of U.S. administrations, both Republican and Democratic, have dealt ami-

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concerned a July 1982 Defense Intelligence Agency report that Representative Donald Edwards distributed at a press conference on August 24, 1983. This report said that the sending of a new Philippine defense attaché team to the Philippine Embassy in the United States would "undoubtedly report on and possibly operate against anti-Marcos Philippine activists in the United States." (*New York Times*, August 26, 1983, A1, A4)

[29] Source: *The Consequences of the Aquino Assassination: Hearing and Markup Before the Committee on Foreign Affairs and Its Subcommittee on Asian and Pacific Affairs of the House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1984), pp. 6–9.

cably and productively over the years, the 1,000,000 or so Filipino Americans and Filipinos who live in the U.S. today and enrich our culture and society. Until last August that number included Senator Benigno Aquino, who three years earlier was released from a Philippine military prison for a heart operation in the United States, and his family.

THE ASSASSINATION

The Aquino assassination has rocked the Philippines. It was a tragic event that has beclouded the reputation of the Philippine Government. Many Filipinos, and not all of them opposed to the current government, suspect the complicity of elements of the Government in the crime. It raises very disturbing questions that demand answers. It puts into grave doubt the competence of the airport security forces, who themselves are suspect of at best gross negligence in their duties. We do not have the answers to those questions yet. As we have stated, we look to the Government of the Philippines to provide them.

This is a matter, first and foremost, that concerns the Philippine Government and the Philippine people. But the United States Government has made clear to the Government of the Philippines both publicly and privately that, in view of our close relationship, the United States also has and continues to have the deepest concern over the assassination of Senator Aquino. We fully expect the Philippine Government to act swiftly and vigorously to track down the perpetrators of this crime, as President Marcos promised in his statement on the day of the murder.

At this point we still know very little about the assassination that is not already a matter of public record. Not enough evidence has yet been found to substantiate or to rule out any of the several possible explanations which have been mentioned so far. The circumstances of the murder and the identity of the alleged assassin, whom the GOP describes as "a notorious killer, a gun for hire," make us doubt that one man alone could have been responsible for this clearly political assassination.

THE INVESTIGATION

The United States welcomed the idea of naming a high level panel to investigate the assassination. The members of the Commission as it is presently constituted, headed by the current Chief Justice, are former members of the Philippine Supreme Court. Opposition leaders and others have expressed concern that certain of the members are too closely identified with the Government.

Despite the international interest in the investigation, it will necessarily be a domestic Philippine matter which the Philippine authorities must carry out to its conclusion. The Commission, of course, must be judged ultimately by its work. It is clearly too early now to make any judgements when the investigation has barely begun.

U.S. participation in the investigation has been limited to the FBI providing, in response to a Philippine request, technical assistance in tracing the alleged murder weapon and in a fingerprint check. For our part, we have not offered any other assistance.

THE ASSASSINATION AND U.S. POLICY

In the public statement issued on the day of the assassination, the U.S. Government went on record in denouncing the assassination as a "cowardly and despicable act which the United States Government condemns in the strongest terms." We stated that "the United States Government trusts that the Government of the Philippines will swiftly and vigorously track down the perpetrators of this political assassination, bring them to justice, and punish them to the fullest extent of the law." We also expressed our condolences to Senator Aquino's wife and children and to his family, friends, and supporters in the Philippines. Ambassador Armacost represented the United States at the funeral.

The United States is closely following the investigation of the Philippine authorities. We have asked the Philippine Government to keep us informed as the investigation, which has just begun, develops. To supplement our public statements, we have privately told senior officials of the Philippine Government of our strong concern that the investigation be thorough and impartial. The Philippine Government has reacted positively to this expression of U.S. interest.

Other aspects of our bilateral relationship are continuing. There are several economic and trade problems that need attention. We are also moving ahead with the Philippine Government to implement

provisions of our recently concluded review of the Military Bases Agreement.

The Aquino assassination does not appear to have changed pre-existing Philippine attitudes about the United States military presence in the Philippines or about our economic and security assistance programs. There were no anti-American manifestations during the funeral or when hundreds of thousands of mourners accompanied the Aquino cortege right past the Embassy. Our Embassy in Manila is also in touch with broad elements of the Philippine body politic in an effort to keep abreast of developments and to make our views known.

Following the assassination much media attention has been directed to the President's planned visit to the Philippines, a stop on his trip to East Asia, this November. The White House responds to all questions about the President's travel. What I can say to you at this time is that there are no current plans to change the President's announced itinerary. Naturally any new developments would be carefully weighed.

STABILITY AND ELECTIONS

With the assassination of Senator Aquino, the opposition has lost its most charismatic leader. Senator Aquino had hoped to return home to persuade the Marcos Government and his fellow members of the opposition to find electoral solutions to the Philippines' political problems. Now that Senator Aquino is gone, the leaders of the moderate opposition must decide what they will do. The Marcos Government, for its part, will also have to decide on how to deal with the new political situation as it prepares for the 1984 parliamentary election.

We cannot foretell how the political events will play out. For our part, we hope that both the government and the moderate opposition will deal with this new political reality in a way that contributes to political stability, the strengthening of democratic institutions, and respect for human rights. In this regard it is more important than ever that the May 1984 parliamentary election be one in which the legitimate opposition will have a free and fair opportunity to participate. If the ground rules for the election permit the legitimate opposition to participate, then it could be the most significant electoral exercise in the Philippines since the declaration of martial law in 1972.

Elections widely seen as fair and equitable can contribute significantly to stability and the avoidance of political polarization. It is no accident that the communists, and their armed force, the New Peoples' Army, do not want such elections, just as they are the ones who gain the most from the political turmoil caused by the Aquino assassination. Some moderate members of the opposition, frustrated by the murder, could become more willing to throw in their political lot with the extreme left in their desire to bring about political change. The manner in which the Philippine Government and the moderate opposition leaders ultimately respond to the new political reality and, in particular, how they will deal with the 1984 election, will go a long way toward determining whether political polarization will, in fact, take place.

U.S. MILITARY FACILITIES AND PHILIPPINE POLITICS

Over the years, the presence of U.S. military facilities and how best to deal with the United States on bases issues have been an integral part of Philippine political life. Some Philippine nationalists have traditionally viewed the bases as remnants of the colonial past. Others have taken ambivalent stands on the bases, which, with the Mutual Defense Treaty, have constituted the country's guarantee against foreign attack since independence in 1946. All administrations in the Philippines have favored the presence of the bases, while their political opponents have tended to be critical of the incumbents' handling of the bases issue.

We fully understand that our vital military facilities in the Philippines—as such facilities in other countries—cannot be effectively operated without at least the tacit support of the host government and the host peoples. Fortunately, we believe that the U.S. facilities continue to enjoy substantial support in the Philippines—and indeed throughout the East Asia region.

The administration intends to continue with its plans to ask the Congess for the security assistance it pledged to seek in connection with this year's Military Bases Agreement review. We believe the Agreement reflects U.S. and Philippine interests.

PHILIPPINE ECONOMY

My statement would not be complete without some comments on the Philippine economy, which has also received considerable attention lately. In the decade of the 70's the Philippine economy, under the guidance of an able team of technocrats backed by President Marcos, made solid strides with growth rates averaging six percent. Then, in this decade, growth dropped off sharply, largely as a result of the world wide recession which reduced the demand for the country's traditional exports. Most recently, with the upturn in the world economy, there have been some favorable developments, including higher prices for Philippine products.

The Aquino assassination had initially led to concerns about possible adverse effects on the economy. However, we have not seen indications that this event has seriously affected lending and investing attitudes. In any event, the medium and long-term outlook is favorable because of the underlying factors such as the availability of trained and capable manpower, resources, and geographic location.

CONCLUSION

Benigno Aquino's murder is a tragedy for the Philippines. Filipino political leaders in both the Government and the opposition recognize the gravity of their political problems. How they work out their differences is, of course, their responsibility. We continue to believe that a free and fair electoral process in which Filipinos can place their confidence is the key to the resolution of the political problems left in the wake of the Aquino assassination. We trust that all the responsible political leaders of the Philippines share this view.

Document 514

Statement Read by the President's Principal Deputy Press Secretary (Speakes), October 3, 1983 [30]

Postponement of President Reagan's Visits to the Philippines, Indonesia, and Thailand

The President has most reluctantly and with regret decided to postpone visits planned for this November to the Republic of the Philippines, Indonesia, and Thailand. On Friday, September 30th, the Deputy Chief of Staff and Assistant to the President, Michael K. Deaver, departed Washington to visit each of these countries, to express the President's regret, and to deliver personal messages from the President to the heads of state of the three countries, explaining the need for postponement.

These discussions were completed this morning. In view of the fact that Congress will be in session, that key appropriations bills have not yet been enacted, and that a continuing resolution has been enacted, but will expire November 10th, it is clear that the first 2 weeks of November will be particularly demanding legislative weeks.

The President made the decision to postpone this portion of his planned trip after careful review of the 17-day itinerary, and an assessment of legislative issues with which he must deal. Our relations with the Philippines, Indonesia, and Thailand are excellent, and we expect them to remain so. The President is disappointed that his original plans had to be changed, but the fact does not alter in any way the fundamental, positive relationship between the United States and the ASEAN countries.

The President still plans to visit Japan and the Republic of Korea in November. This morning I spoke to Mike Deaver in Bangkok, and he had just completed his third visit, and he indicated to me that

[30] Source: Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, October 10, 1983, p. 1378. The statement was read at the White House Press Briefing beginning at 2:16 p.m.

there was an understanding of the need and the reasons for postponing the trip on the part of the leadership of the three countries with whom he had visited.

He is continuing his trip that will take him to Seoul and to Tokyo and return here by the end of the week.

J. Thailand

Document 515

Prepared Statement by the Deputy Assistant Secretary of State for East Asian and Pacific Affairs (O'Donohue) Before a Subcommittee of the House Foreign Affairs Committee, March 14, 1983 [1]

U.S. Aid to Thailand

Mr. Chairman, I am delighted at this opportunity to appear before you to discuss our assistance requests for Thailand, one of our closest East Asian allies.

Policy Objectives and Interests

Mr. Wolfowitz, in his testimony before this subcommittee, [2] set forth our basic objectives and interests in East Asia. All of our Thai programs are in direct support of the objectives he outlined:

—Thailand is a long time security treaty ally and is the ASEAN frontline state facing a direct threat from Soviet-supported Vietnamese forces in Kampuchea.

—Thailand is a key member of ASEAN which has emerged as the major force for stability in Southeast Asia and a subregional grouping of central importance to U.S. interests.

—Thailand is in strategic proximity to the key sealanes of communication linking East Asia to the Indian Ocean and Middle East.

—Thailand has borne the heaviest burden of refugees in Southeast Asia and is central to maintaining the first asylum principle and the continuation of the major international efforts which have allowed us to cope with this immense human problem.

—Thailand's cooperation is essential in our efforts to stem the flow of narcotics out of the Golden Triangle.

Program Summary

In the FY 83 supplemental we have asked for $9 million in FMS guaranteed credits and $16 million in FMS MAP. These sums would bring our FY 83 level up to the amount requested by the administration originally, which was supported by this Committee.

In FY 84 the administration is requesting:

—*FMS:* $94 million in FMS guaranteed credits and $5 million in MAP. This is a 9 percent increase over our FY 82 request.

—*Military Training (IMET):* $2.4 million in military training funds, a moderate increase over the 1983 CR amount of $1.7 million.

—*ESF:* $5 million in ESF, the same as FY 83, to be used to assist the Thai directly affected by the heavy refugee inflow and border fighting.

—*Development Assistance:* And $29 million in Development Assistance, $1 million over this year's level.

Policy Justification

These programs directly support U.S. interests in Thailand and contribute to its security and economic development. They also support security, economic, political and humanitarian interests of regional and global as well as bilateral importance.

The security assistance levels we have requested for FY 83 and FY 84 reflect the administration's determination to strengthen the defense capabilities of a close treaty ally manning the frontlines against a threat to the region as a whole. The program is not only an essential

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[1] Source: *Foreign Assistance Legislation for Fiscal Years 1984–85: Hearings and Markup Before the Subcommittee on Asian and Pacific Affairs of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), Part 5, pp. 410–417.

[2] For the testimony of Paul Wolfowitz on February 23, 1983, see *ibid.*, Part 5, pp. 18–53. For extracts from his prepared statement, see documents 444 and 463.

signal of our commitment to Thailand and its ASEAN policies but also demonstrates our determination to play an appropriate security role in the area.

ASEAN has emerged as a dynamic force for peace and progress in Southeast Asia and deserves our full support. The Thai and their ASEAN partners have been defending the region's continued stability by resolutely opposing the Vietnamese occupation of Kampuchea and by determinedly pursuing a political solution to this problem. A strong, confident Thailand, around which the other ASEAN states and most of the international community have rallied, is central to this task. Our assistance to Thailand consequently contributes significantly to the overall ASEAN efforts to bring about a comprehensive political solution to the Kampuchea problem.

FMS/MAP: Unfortunately, as a result of the FY 83 reduction not only have we been unable to increase the Thai FMS program, as we had hoped, but in fact the overall level is $13.2 million less than that provided in FY 82. This undercuts our whole approach, creating an erroneous impression of diminishing U.S. interest at a time when the Vietnamese threat remains unchanged. Consequently, we have, as a matter of high priority, requested that the Congress in the supplemental restore the FMS and MAP funds which we have requested.

In looking at our FY 84 program levels, we are projecting a measured increase in the FMS/MAP program. This program is the most visible and concrete manifestation of our security relationship and of our readiness to play an appropriate security role with Thailand. The Thai have indicated they believe they can manage their own security problems without U.S. military involvement, but have stressed their hope that we would provide the security assistance needed to allow them to meet the Vietnamese challenge. Our program does that.

Mr. Armitage will be touching on FMS program specifics, [3] but I would note that the funds we have requested will enable the Thai to proceed with their force modernization program as well as build an inventory of badly needed spare parts for existing weaponry.

IMET: Our military training program will be devoted to expanding space allocations for training of officers and enlisted men in use of modern weapons, management of logistics and technical fields such as intelligence and communications. The Thai are making a genuine effort to improve their logistics system, which will be a great step forward in their overall defense effectiveness. In FY 83, we have projected training for about 369 military personnel, and a larger total in FY 84.

ESF: The large number of refugees and displaced persons which remain on Thai soil constitute a serious humanitarian problem as well as a threat to the region's stability. It is an international problem which requires an international solution. The United States is firmly committed to helping alleviate this burden by providing relief and resettlement within the framework of an international program. Tangible expression of our continued support is necessary to maintain the momentum of the international effort and the principle of first asylum.

As part of this cooperation, we and other countries provide assistance to Thai villages affected by border fighting and the influx of refugees. We believe these Economic Support Funds (ESF) will be needed in FY 84 at about the same levels as FY 83. The recent Vietnamese attacks in the area of Nong Chan, on the Kampuchea border, have added to the number of refugees in Thailand, and caused new losses of Thai lives and property. In addition, ESF funds are being directed to areas of the Thai-Lao border, also affected by refugee flows, where many of the nation's poorest people live. These programs will fund improvements in basic services in the villages, assist in improving agricultural productivity, and help bind these areas into the economic and political mainstream of the country. Most importantly, they encourage the Thai to maintain first-asylum policies and to facilitate international relief and resettlement efforts.

Development Assistance: Thailand has suffered from the world recession and spiraling energy costs over the past several years along with most Third World countries. Yet due to favorable harvests, Thailand has managed to retain relatively high growth rates in both its agricultural and industrial sectors. Agricultural productivity, however, remains low relative to its po-

[3] For the prepared statement of Richard L. Armitage, see *infra.*

tential. Significant disparities of income persist both between regions and between different occupational groups. Our development assistance to Thailand is part of a much larger international effort to assist this important developing country, which has proven its determination to put such resources to effective use. Besides our bilateral assistance, the U.S. contributes significantly to the international effort through the IBRD and ADB.

U.S. development assistance for Thailand will increase slightly over 1983 if the FY 84 program is approved at the requested level. This program supports current RTG efforts to redirect public and private investment toward rural growth and development. Other projects will seek to enhance efficiency of the private sector in Thailand in meeting overall development objectives. Finally, the program is designed to aid the Thai Government in directing economic growth toward increased equity for the poorest sectors of its population.

Conclusion

I have outlined a balanced assistance program for Thailand reflecting the strengths and diversity of our relationship. There is a proper emphasis on security assistance given the threat Thailand faces from Vietnam and our own security treaty commitment. The President, Secretary Shultz, and Secretary Weinberger have all reaffirmed our clear commitment to Thailand embodied in the Manila Pact.[4] Our military assistance and the signal it sends of U.S. constancy and support are essential elements in strengthening Thai security.

At the same time, we recognize that economic development is equally important in enhancing domestic stability and social development. Through Development Assistance, we remain determined to contribute along with other donors such as the IBRD and Japan, to help Thailand maintain its priorities for education, economic development, and more equitable income distribution.

Both of these programs also help us secure Thai cooperation on refugees and narcotics matters. In the broader context, the ASEAN countries look first to our security relationship with Thailand and our assistance program as the measure of our support to their efforts to reach a comprehensive political settlement in Kampuchea.

Mr. Chairman, the levels we have requested reflect the severe budgetary constraints we are working under. They are necessary if we are to demonstrate our continued support for Thailand—a treaty ally and the ASEAN frontline state.

Document 516

Prepared Statement by the Deputy Assistant Secretary of Defense (International Security Affairs) (Armitage) Before a Subcommittee of the House Foreign Affairs Committee, March 14, 1984[5]

U.S. Security Interests in Thailand

Mr. Chairman, again I thank you for the opportunity to offer comments from a Defense perspective on the administration's foreign assistance requests—this time the requests for Thailand. The levels we seek in the FY 1983 supplemental request and in the FY 1984 budget request are needed for both programmatic and highly important symbolic reasons. Not only Thailand, but the other ASEAN states and, undoubtedly, Vietnam and the Soviet Union as well, look to our security assistance for Thailand—the ASEAN frontline state—as a major indicator of U.S. security interests in the region.

Mr. Chairman, some of the questions you asked that I address in my statement are more appropriately addressed by others, for example, those which deal with our economic aid and the Thai balance of payments. On those, I will defer to my colleagues. In my remarks, I will address those questions which are of particular concern to Defense.

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[4] Reference is to the Southeast Asia Collective Defense Treaty signed at Manila on September 8, 1954, by the United States, Australia, France, New Zealand, Pakistan, the Philippines, Thailand, and the United Kingdom, which came into force on February 19, 1955, when it had been ratified by the eight signatory states (6 UST 81).

[5] Source: *Foreign Assistance Legislation for Fiscal Years 1984–85*, Part 5, pp. 419–423. Armitage was Deputy Assistant Secretary for East Asia and Pacific Affairs.

The increased threat to Thai security brought about by the December 1978 Vietnamese invasion of Kampuchea is responsible for the greater Thai requirement for security assistance. Today, 17 Vietnamese Divisions remain at their work attempting to "pacify" Kampuchea. In fact, there are more Vietnamese troops in Kampuchea than Thailand has in its entire army. The fighting between the Vietnamese and the Khmer resistance groups along the Thai/Kampuchean border remains intense. The tragic by-product of this upheaval, the flow of refugees out of Indochina, continues. We estimate there are about 80,000 Khmer refugees in Thailand and another 210,000 in border camps controlled by various non-Communist elements.

The military situation shows every sign of continuing as it is; essentially a cyclical pattern of fighting adding up to a stalemate for some time to come. The Vietnamese have by no means wiped out the resistance; these groups seem as determined as ever not to acquiesce in the Vietnamese dominance of Kampuchea. Indeed, the seeds of Khmer nationalism have proved very resistant to eradication. The anti-Vietnam coalition of resistance forces (Khmer Rouge, KPNLF, Moulinaka) still has some problems, but it is a focus for resistance against Vietnamese hegemony and the rallying point for Khmer nationalism.

Were it not for its price in human suffering, the situation in which the Vietnamese find themselves could almost be considered poetic justice. It is now they in the capitol, trying to deal with guerrilla forces who ambush their convoys and challenge their ability to pacify the countryside. But we can take little comfort in thoughts of their discomfort when their presence in Kampuchea has increased the threat to our Southeast Asia ally, Thailand, and when the cost of their Kampuchean occupation has permitted the Soviet Union to buy its way into virtually every aspect of Indo-China's economy, government, and military structure. For example:

—USSR and Eastern bloc military and economic aid, 40% military, has amounted to billions of dollars since 1978. Soviet aid is currently estimated at $6 million per day.

—In return, Vietnam exports a large proportion of its meager agricultural and industrial output to the USSR, provides Vietnamese laborers at low wages to work in the Soviet Union, and provides the Soviets increased access to its ports and airfields.

—The establishment of a Vietnamese/Soviet oil exploration operation at Vung Tau has been reported. It has been suggested that the Soviet population of Vung Tau could reach several thousand over the next 2 or 3 years.

—The Soviets also have advisors and technicians active in Laos and Kampuchea and have recently completed a new communications satellite facility just outside Vientiane.

—We are convinced that the Soviets are providing chemical weapons for use in Laos and Kampuchea.

—And, there is the increasing Soviet presence at Cam Ranh and Danang.

That portion of the Vietnamese occupation force in Kampuchea which is of greatest concern to Thailand is the several divisions in the proximity of the Thai border. The some 80,000 Vietnamese troops poised just inside Kampuchea are the most important threat the Thai currently face. Although the threat of an all-out invasion is relatively low, continued Vietnamese incursions into Thailand—both deliberate and accidental such as during hot pursuit—probably will continue as long as Vietnamese forces occupy Kampuchea. Such incursions into sovereign Thai territory are made no less serious by becoming more common. Each carries the risk of a clash which could escalate into a larger Vietnamese punitive attack or lead to other unforeseen consequences.

The Communist insurgent threat in Thailand has declined significantly in recent years—reflecting, at least in part, the effectiveness of the substantial economic and security assistance provided by the United States over the past two decades. But the insurgency has not lost its potential to disrupt internal security and tie down government forces. Thai soldiers still die fighting guerrillas and, while paramilitary forces have assumed the bulk of the effort, regular forces must still be devoted to suppress insurgent activity. Nevertheless, the more serious current threat to Thai security is that which arises from Vietnamese activity in Kampuchea.

Thailand's substantial force modernization requirements stem from having to change the focus of its armed forces after the Vietnamese invasion of Kampuchea from suppression of internal threats to defense against possible external aggression. The threat posed by substantial Vietnamese conventional forces on the border equipped with tanks and armored vehicles and supported with tactical air capabilities has made the acquisition of anti-tank and antiair capabilities especially critical to the Thai armed forces.

The Thai have done well since December 1978 in upgrading their military capabilities against the external threat. They have made significant qualitative and quantitative improvements in their weapons inventory. Moreover, with their heavy emphasis on training, they have improved the professionalism and technical proficiency of their forces.

Thailand does not seek to become a military match for the Soviet-supported Vietnamese who, after all, have the fourth largest military force in the world. But the Thai have sought to acquire the ability to respond to limited Vietnamese incursions into their territory in order to deter the threat of invasion. With our assistance, they can strengthen further their capability to defend their borders.

The need to improve its conventional military capabilities rapidly has prompted Thailand to more than double its annual FMS purchases from the U.S. During FY 79–82, Thailand spent over $900M on new military purchases from the United States. We assisted Thai growth by increasing our security assistance each year, providing a total of almost $200 million in military assistance over the same time period ($194 million in FMS credits, $4.5 million in MAP grants). We also expedited delivery of some critically needed equipment and supplies.

Thailand spends 4% of its GNP on defense—almost 20% of its budget. It spends 8% on development. This proportion is appropriate for a developing country which still faces an insurgency. However, it limits the extent to which Thailand can purchase the hardware it needs for military modernization without credit. The Thai calculate that they need to spend approximately $350 million per year for capital purchases to replace attrition and carry out their most important modernization programs. The Thai budget can only support capital expenditures of approximately $200 million, leaving a $150 million annual shortfall.

Credits underwrite only part of the total Thai procurement from the United States. Therefore, we cannot be sure which specific programs would be cancelled or delayed if requested FMS credit and MAP levels are not restored for FY 83 and maintained for FY 84. However, it is apparent that since we have already restrained our requests to a minimum level well short of the $150 million needed by Thailand, further reductions are not possible without serious delays in some or all of the important modernization programs. Procurements which may have to be delayed or cancelled might include attack aircraft, tactical mobility and logistics aircraft, antitank and antiair munitions, tanks and howitzers, and naval patrol craft.

The U.S. commitment to the security of Thailand under the Manila Pact was reaffirmed by President Reagan in his 1981 meeting with the Thai Prime Minister.[6] It was again reaffirmed by Secretary Weinberger during his 1982 visit to Thailand.[7] While for Korea American troop presence is a major symbol of our commitment, for Thailand the most important symbol is our willingness to provide security assistance support. Reduction of Thai security assistance in FY 1983 and 1984 to less than either of the two previous years could not but be perceived, despite our rhetoric to the contrary, as a retrenchment from our commitment to peace and security in Southeast Asia and a serious reduction in the importance we attach to ASEAN.

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[6] Prime Minister Prem Tinsulanonda of Thailand visited the United States from October 3 to 10, 1981. He met with President Reagan and other U.S. officials in Washington.

[7] Secretary of Defense Weinberger visited five East Asian nations, Australia, New Zealand, Thailand, Singapore, and Indonesia, from October 29 to November 9, 1982. For an extract of his press conference in Bangkok on November 3, 1982, see *American Foreign Policy: Current Documents, 1982*, p. 1121.

Document 517

Transcript of the Department of State Daily Press Briefing, April 8, 1983 (Extracts) [8]

U.S. Military Aid to Thailand

. . . . . .

I have a statement on U.S. military assistance to Thailand: Over the next 10 days three shipments of American-built military equipment are due to arrive in Thailand in response to Thai requests for speeded up delivery. [9] The initial delivery will take place this weekend, when a U.S. military plane is due to unload a number of Redeye ground-to-air missiles at Don Muang Royal Thai Air Force Base. That will be midday, Saturday, April 9.

On Monday, April 11, a special airlift of two American C–5 transports will deliver 155mm extended-range howitzers, along with ammunition. These new model-198 howitzers were made available from America's inventory for its own forces to underline U.S. support for Thailand. On April 19, additional extended-range howitzers will arive in Thailand aboard the merchant ship SS *Benjamin Harrison*. The procurement of these weapons for delivery to Thailand was also accelerated as a result of a Thai request.

These weapons have been purchased by Thailand under the U.S. Foreign Military Sales Program. Thailand annually purchases military equipment averaging between $150 and $200 million in value. In addition, last year (Fiscal Year 1982) the United States allocated to Thailand $80 million in credits and grants for this purpose. So far this year, $66 million has been made available, and the administration is requesting a supplemental appropriation of an additional $25 million.

In addition to speeding delivery of military supplies, the United States has responded to the situation created by Vietnamese attacks along the Thai-Kampuchean border by an immediate grant of $1.5 million to the International Committee of the Red Cross for emergency medical care and other humanitarian assistance to victims of the fighting. Our Ambassador there, John Gunther Dean, also recently presented $3 million to aid Thai villagers affected by the continuing conflict in Kampuchea and the influx of refugees.

That's all I have.

Q. Is this the announcement made by Wolfowitz [10] out there this morning?

A. I don't know whether it is the identical announcement made by Wolfowitz, Jim; but in substance, it is the same.

Q. Can we get copies of that, John?

A. Sure.

Q. To follow up, John, will there be more personnel needed to go along to deliver this equipment or—

A. Not to my knowledge, at this stage.

Q. Did you say the first shipment would have surface-to-air?

A. Yes. Ground-air.

Q. Why is that being sent, given the nature of the conflict?

A. I presume the Thais feel that there is a need for that kind of equipment.

Q. What is your reading of the military situation in the area?

A. On the border? I don't have anything up-to-date for you on that.

Q. What are the Secretary's plans for this weekend?

A. Why don't I chat with you about that after this session.

Q. Let's stay on Thailand a minute more.

A. Sure.

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[8] Source: Office of Press Relations, Department of State. The briefing was conducted by Department of State Spokesman John Hughes, beginning at 12:17 p.m.

[9] Requests came in response to Vietnamese attacks on Cambodian refugee camps.

[10] Assistant Secretary Wolfowitz was in Thailand, April 5–7, 1983, during a trip which took him to several Southeast Asian countries from March 29 to April 16, 1983.

Q. In addition to this speeded up stuff that you're sending them in the next few days, is there any consideration being given to additional assistance of any kind to Thailand, beyond giving more of what they have already ordered?

A. No decision has been taken, and nothing has been sent. What is being sent is matériel that was earmarked for them, that was in the pipeline, is going faster at this stage. Obviously, should events change or should there be a need for more, I'm sure we would consider that.

Q. These are all things they have already paid for or ordered, and it is just the question of making delivery faster?

A. Yes.

Q. If events change, the United States will send more?

A. No, I didn't say that. I was asked whether there was any consideration of additional aid. As you know, the Thais have asked for assistance in various spheres. I wouldn't rule out consideration of other measures if such requests were made. But I'm not misleading you: what we have done up to now is send matériel that they would otherwise have had. And that's where we stand. But I don't want to draw the line there, and say the United States would never do anything else.

Q. The "other issues" is military equipment. Period.

A. Yes.

Q. How serious is the situation? Is Thailand in danger in some way?

A. I think I would let our friends at the Pentagon give you a characterization of the military situation.

Q. Mr. Woltowitz, in some of his remarks quoted from Thailand, was quoted as saying, "The Vietnamese are responsible and that the Soviets are, to some degree, responsible for this situation."

A. I think we're all aware of Soviet involvement in Kampuchea.

Q. I guess the question I was getting to is, has the United States done anything, or is it doing anything diplomatically in addition to sending these missiles and howitzers over there, regarding the Soviet Union or the Vietnamese?

A. Yes, I think we have made clear our views to the Vietnamese, and I think a number of other countries have made very clear their views about this, too.

Q. How about with the Soviets?

A. I'm sure that the Soviets are well aware of our viewpoint.

. . . . . .

K. Vietnam

Document 518

Address by President Reagan Before the National League of Families of American Prisoners and Missing in Southeast Asia, Crystal City, Virginia, January 28, 1983 [1]

"I Pledge To You, We Will Take Decisive Action on Any Live Sighting Report [of POW/MIA's] That Can Be Confirmed"

Thank you. (Applause) You've done that already. George Brooks, Ann Griffiths, members of the Board and family members and members of Congress, I think most of you know that during the course of any given day, we meet with an assortment of groups who represent a cross section of interests and causes.

None of those meetings are routine, but I must tell you that this meeting today is more than special. The anguish you've suffered, the families of brave men of listed prisoners of war or missing in

[1] Source: White House Press Release, January 28, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, January 31, 1983, pp. 131-132. The source text is the text as actually delivered. The President began his address at 9:49 a.m. at the Hyatt Regency Hotel. The special meeting of the League marked the 10th anniversary of the Paris Peace Accords.

action, the misery of anguish is unspeakable, something the rest of us can really never know even in a partial measure. Twelve years ago, I said something to a group of you in California that I believe is even more true today. If they could be here today, millions of Americans, from every corner of this land, who have only a glimmer of your pain, would say to you, "We want with all our hearts to share your burden."

And what a burden you've had to bear. You watched as we disengaged from Vietnam and many of our prisoners of war returned for an emotional homecoming. You've seen task forces and committees hold hearings and issue reports that attempted to foreclose hope. But as the tragic flow of refugees from Indochina began a few years ago, those columns of humanity who had suffered hunger and thirst and disease and piracy, brought with them firsthand, "live sighting" reports of American prisoners held captive after 1973. As this information was investigated, respected figures in the intelligence community reached personal conclusions that these reports were credible, even though the circumstances of the sightings prevented confirmation.

But with these refugees and the news they brought, another tragedy was unfolding here at home. You, the families of our missing men, were trying to be heard, and yet, you were sometimes unfairly and cruelly branded as emotionally distraught groups that ignored reality and simply hoped against hope.

Government and public attention began to wane. And instead of being a full partner with your government in attempts to learn the fates of loved ones, you were confronted with legal rulings that presumed the loved ones were dead. You found yourselves quite literally on the outside, driven in some cases to demonstrate for attention in front of the White House gates.

Well, today I want you to know that your vigil is over. Your government is attentive and intelligence assets of the United States are fully focused on this issue. (Applause) Furthermore, I pledge to you, we will take decisive action on any live sighting report that can be confirmed.

We're also working to achieve the accounting of our missing men. I'm sure you understand that some of these approaches must be done quietly. As Judge Clark told you yesterday, despite the differences between our governments, we have followed up encouraging Lao response to the recent visit by the League's delegation. We are fully prepared to take additional, concrete steps with the Lao government to improve relations. I pledge to you that the progress on the POW/MIA issue will be the principal measure of their sincerity. I wish to recognize publicly their positive steps to date, and call upon them to continue with us in this humanitarian effort to end the years of uncertainty that you have endured.

I, also, called on the government in Hanoi to honor their pledges to the American people on the POW/MIA issue. Not for me, not for our government, but for our missing men and those of you that did nothing to deserve the terrible emotional ordeal that you have endured.

Now, these steps are an indication of how things are changing for the better, and how the work of those of you in the National League of Families has helped bring about this change.

You are the ones who have forged a partnership to realize our common quest—the return of all POWs, the fullest possible accounting for the still missing, and the repatriation of the remains of those who died serving our nation. The myth that this effort is partisan or needlessly raises your hopes has now been dashed.

The government bureaucracy now understands that these goals are the highest national priority. And there is strong, bipartisan support in the Congress. (Applause) Those Americans who attempted to discharge government responsibilities through private efforts should now understand that the full resources of our government are now committed to these goals.

Today is a time for remembering many—the private donors, the congressmen, and the government employees—all those who are dedicated to organizing and supporting a variety of projects to achieve our goals. Because of the very nature of the work, they must shun publicity. But I want them to know that their quiet and responsible efforts represent the highest patriotic humanitarian values. I urge them to continue on with their work, regardless of the obstacles and frustrations, for the

return home of only one of our men will be a personal reward of far greater value than any words spoken here today.

But beyond all this, I have mentioned that there are, of course, those of you here today. Today, this is room of heroes who kept a vigil of unprecedented faith and devotion. Through all the years of heartbreak and mistrust, you have been the ones who have cared. You are the ones who asked for justice—for deeds, not words.

The membership of the National League of Families, past and present board members, and your national office staff deserve the gratitude and accolades of this nation. And I think I should mention other individuals who share our goals such as Fred Travelena, a returned POW Captain Jerry Coffee—who have, also, given without regard to personal gain.

So all of us can be gratified that progress is being made, but never satisfied. We need greater public awareness from the American people. So I ask each American who hears or reads of this to find a way to help. No matter how small each individual effort may seem, it is needed.

I ask too that you continue to provide us with positive suggestions through your Washington office. We welcome and solicit your help and cooperation as well as the criticism when you feel we deserve it. It's possible there will be differences from time to time on tactics and strategy, but I repeat: We are heartfelt allies and friends. Our goals are the same.

The government is large. It's possible sometimes you'll hear voices that will sound contradictory or insensitive, but we're doing what we can to eliminate that. So, please, don't let it shake our larger faith. Only if we're united, only if we have faith in each other, can we finally hope to end the tragic ordeal that you've endured with such steadfast and wondrous courage.

I know I've spoken before and told of when the POWs did return immediately after the agreement. Nancy and I were fortunate enough—I was Governor then in Sacramento—to have several hundred of them, not all at once, of course—couldn't get them in—but in groups, in our home. One who is here at this table this morning was one of those. We heard such stories. We saw then such courage. And one night afterward, I said to Nancy, "Where did we find such men?" And the answer came almost as quickly as I'd asked it. We found them where we've always found them—on the farms, in the shops, in the offices, on the streets, in towns and cities in America and farms. They're just the product of the greatest, freest system man has ever known. (Applause)

Speaking for Nancy and myself, you and they will be in our prayers. God bless you all. (Applause)

Document 519

Transcript of the Department of State Daily Press Briefing, February 2, 1983 (Extract) [2]

U.S. Denunciation of Indiscriminate Vietnamese Attacks on a Khmer Civilian Border Settlement

. . . . . .

Finally a statement regarding the Vietnamese attack on Nong Chan. Vietnamese forces attacked January 31 the Khmer refugee encampments near the Thai border opposite the Thai village of Nong Chan. While details are not entirely clear, we are appalled that Vietnamese forces would attack indiscriminately a settlement containing thousands of civilian Khmer who fled to the border area from Vietnam's 1978 invasion and continued occupation of Kampuchea. We understand that the Vietnamese destroyed the refugee camps, burned the huts and rudimentary medical facilities and schools of people who have suffered enormously and who have been living with only minimal essentials. We equally deplore that innocent Thai villagers have also been victims in the attack.

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[2] Source: Office of Press Relations, Department of State. The briefing was conducted by Department of State Acting Spokesman Alan Romberg beginning at 12:40 p.m.

We also note the statement by the Government of Thailand which describes accurately that the Vietnamese attack constitutes a flagrant violation of the principle of humanitarianism and the U.N. Charter. We join the Thai Government in calling for Hanoi to respect Thai territory and to cease its use of force.

O.K. That's all on the announcements.

Q. May we have a copy of that?

A. Sure.

I'll be happy to take your questions.

Q. Do you have any idea how many people became casualties as a result of this?

A. I don't have figures at this point. As I say, the details are not entirely clear, but apparently the attack was fairly severe. I just don't know. I don't have casualty figures for you.

. . . . . .

Document 520

Prepared Statement by the Deputy Assistant Secretary of State for East Asian and Pacific Affairs (O'Donohue) Before a Subcommittee of the House Foreign Affairs Committee, March 22, 1983 [3]

Americans Missing in Southeast Asia

Mr. Chairman, I am pleased to have the opportunity to discuss this afternoon the issue of Americans missing in Southeast Asia.

This Administration is fully committed to the goal of accounting for Americans missing in Southeast Asia. President Reagan in his address a few weeks ago to the National League of Families of American Prisoners and Missing in Southeast Asia, emphasized the importance which this Administration places on this goal. [4] He stated the goals of the return of all POWs, the fullest possible accounting for the still missing, and the repatriation of the remains of those who died serving our nation are "the highest national priority," and pledged that "the full resources of our government are now committed to these goals."

In support of these goals, the Department of State has been engaged in a variety of activities which I would like to describe. Mr. Armitage will describe the efforts of the Department of Defense and Admiral Paulson those of the Defense Intelligence Agency.

—For our part, we are continuing to press this issue with the Lao and Vietnamese Governments. As you are aware, Mr. Chairman, we have serious policy differences with Vietnam, especially on Kampuchea. Despite these differences, we have maintained bilateral dialogue with the Vietnamese government on the POW/MIA issue—but only on this issue because of its great humanitarian importance. We are engaged with Laos in mutual efforts to improve relations through concrete steps and both governments have already taken positive steps forward. President Reagan told the National League of Families meeting in January that "progress on the POW/MIA issue will be the principle measure" of Lao sincerity in improving relations.

—We are continuing to seek the assistance of other governments in conveying to the Lao and Vietnamese the importance we attach to progress on this issue. We do not want it to be forgotten by others.

—We regularly assist the Defense Intelligence Agency in its investigation of live sighting reports through contacts with other governments.

—We are continuing to seek the cooperation of the Government of Thailand in permitting access to Lao and Vietnamese refugees in "austere" camps who may have information about missing Americans. Individual visits have been authorized as well as the posting of notices about our interest in POW/MIA information. This is an area in which we are making slow but steady progress and ulti-

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[3] Source: *New Information on U.S. MIA–POW's in Indochina?: Hearing Before the Subcommittee on Asian and Pacific Affairs of the Committee of Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 67–69.

[4] See document 518.

mately we believe we will have an opportunity to talk with all refugees who can help us.

—Our Southeast Asian posts have reviewed procedures for debriefing refugees. At our request, the Department of Health and Human Services sent almost 500 letters to refugee mutual assistance associations in the United States requesting that they contact their members for information regarding POW/MIAs. Our Bureau for Refugee Programs also made a similar request to the American Council of Voluntary Agencies.

—We have supported the League of Families' private efforts by briefings and through the actions of our Embassy in Vientiane to facilitate the League's visit to Laos last September.

Investigations of live sighting reports are assigned, and will continue to be assigned, highest priority and necessary resources, based on the assumption that some Americans are still being held captive. While we do not have hard evidence of live POWs, we continue to actively solicit and evaluate information from all sources.

The progress towards resolution of the POW/MIA issue is far slower than we all would like. Approximately 2,500 Americans killed or missing during the Indochina War have not been fully accounted for. Of this number, about 1,150 are known to have been killed in action, but their remains have not been recovered. Between February and April 1973, the Hanoi government released 591 American prisoners. An additional 68 Americans stranded in Vietnam in April 1975 left in the following year. To date, the Vietnamese have returned 79 sets of remains. The most recent repatriation of remains from Vietnam, in October 1982, involved those of four U.S. military personnel. To emphasize the importance the U.S. Government attaches to this issue, Deputy Assistant Secretary Armitage visited Hanoi in February 1982. The Vietnamese last fall accepted our proposal for regular, technical meetings and agreed to four a year. These meetings, two of which have already occurred, provide opportunities for exchanges of information and, we hope, will lead to further progress in identification and recovery of remains.

With respect to the Lao, although they have returned only two sets of U.S. remains in past years, the League of Families' visit to Laos in September was helpful in encouraging the Lao Government to be more cooperative on MIA matters and in its relationship with the United States. For the first time since 1975, in February of this year, the Lao permitted a team from the Joint Casualty Resolution Center and the Central Identification Laboratory to visit Vientiane for talks with Lao counterparts about POW/MIA matters.

It is important to keep foremost in mind that when private Americans try to force their own solutions, our government-to-government efforts are jeopardized. We do not support or condone illegal forays by private Americans to search for remains or prisoners. They seriously complicate our efforts, involve personal risks for those involved and possible arrest for violating the laws of the countries which they leave and enter. In fact, as Judge Clark stated to the National League of Families in January, "We are resolutely opposed to private cross-border forays. Such actions interfere with and damage legitimate efforts on a number of fronts." I can not emphasize this point too strongly. For our part, we accept POW/MIA information from any source. Any information or material which is turned over receives thorough examination and analysis.

In closing I would stress that we care deeply about our missing men and are devoting our resources on a highest priority basis to the fullest possible accounting of those still missing and the repatriation of the remains of those who died serving our nation.

Document 521

Statement Read by the Department of State Acting Spokesman (Romberg), March 31, 1983 [5]

More Vietnamese Attacks on Civilian Border Settlements

Good afternoon. I have one statement for you concerning Vietnamese attacks on refugee settlements.

We are appalled that Vietnamese forces March 31 attacked indiscriminately settlements containing thousands of civilian Khmer who fled to the border from Vietnam's 1978 invasion and occupation of Kampuchea.

We strongly condemn these attacks which are a consequence of Vietnam's actions in Kampuchea in violation of the U.N. Charter and U.N. General Assembly resolutions.

While details are not entirely clear, thousands of civilians have been forced to flee for survival from the March 31 attacks.

Just 2 months ago the Vietnamese attacked a Khmer refugee camp near the Thai border village of Nong Chan, putting to flight some 40,000 civilians and destroying their settlement. [6]

We noted the Royal Thai Government statement of March 31 about the attacks and join the Royal Thai Government in calling on Hanoi to respect Thai territory and in condemning the attack on peaceful civilian inhabitants of the border area.

We applaud the prompt efforts of the Thai Government and international organizations to render humanitarian assistance to the unfortunate victims who have fled into Thailand and will lend our own support to these efforts.

[5] Source: Office of Press Relations, Department of State. The statement, which was read at the Department of State Daily Press Briefing beginning at 12:40 p.m., is also printed in Department of State *Bulletin*, June 1983, p. 20.

[6] See document 519.

Document 522

Transcript of the Department of State Daily Press Briefing, April 1, 1983 (Extract) [7]

"We . . . Join ASEAN in Condemning Unprovoked and Indiscriminate Attacks by Vietnamese Armed Forces Against Khmer Civilians and Threats to Thai Territory"

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Since our statement of March 31 [8] condemning attacks by Vietnamese forces on Khmer civilian refugee settlements, we have seen reports that indiscriminate attacks on refugee camps have continued along the Thai-Kampuchean border.

We condemn Vietnamese actions which defy humanitarian principles and which have increased still further the suffering of Khmer who fled to the border to escape Vietnam's occupation of their country.

We note the joint ASEAN statement of April 1 about the attacks [9] and join ASEAN in condemning unprovoked and indiscriminate attacks by Vietnamese armed forces against Khmer civilians and threats to Thai territory.

I'll be happy to take your questions.

Q. Copy of that, please?

A. Yes.

Q. Can I just follow that up? Do you have any comment on a report that Thai

[7] Source: Office of Press Relations, Department of State. The text of the statement is also printed in Department of State *Bulletin*, June 1983, p. 20. The briefing was conducted by Department of State Acting Spokesman Alan Romberg beginning at 12:24 p.m.

[8] *Supra.*

[9] Text of the joint ASEAN statement is in Foreign Broadcast Information Service, *Daily Report: Asia and Pacific*, April 1, 1983, pp. J1–J2.

aircraft attacked Vietnamese positions inside Cambodia?

A. I don't have confirmation of that. I've also seen reports that I can't confirm that Vietnamese forces made some incursions across the border, too.

All I could say is that we are concerned about the escalating level of violence which has been instigated by Vietnam.

Q. In light of that, have the Thais asked for any additional military assistance or is such a thing under consideration?

A. The Thai Government has not asked for further U.S. assistance, but we will consult closely with the Thai Government on how we can be of assistance.

Q. So we might initiate a proposal?

A. I think we're in consultations with them on this issue in general, and as a general matter of how we can be of assistance. I'm not sure that we're going to propose something specifically in terms of further assistance—that is, military aid—but it's a question of talking with them to see how we could be of help in general.

Q. Is our military assistance agreement with Thailand invoked in this in any way?

A. I don't think there's been any formal invoking of any agreements here, but, obviously, we're concerned with what's going on, and we're following it very closely.

. . . . . .

Document 523

Prepared Statement by the Assistant Secretary of State for East Asian and Pacific Affairs (Wolfowitz) Before a Subcommittee of the House Foreign Affairs Committee, July 14, 1983 [10]

POW–MIA's and U.S. Policy Toward Southeast Asia

Mr. Chairman, I appreciate the opportunity to appear before the Asian and Pacific Affairs Subcommittee and the POW/MIA Task Force today to discuss the POW/MIA issue.

Some 2,500 Americans are missing and unaccounted for as a result of the war in Indochina; some 1,800 in Vietnam, nearly 600 in Laos and almost 100 in Kampuchea. For more than 10 years their families have been attempting to learn of their fate. This long period of hoping and waiting has been a heavy burden to bear for these families. We owe it to the missing, and to those who will fight in future wars, to make every effort for the fullest accounting possible.

President Reagan has made clear his deep concern and commitment to obtain the fullest possible accounting for Americans missing in Southeast Asia. This administration actively and consistently pursues such an accounting.

Last January the President reaffirmed in his remarks to the National League of Families that we share a "common quest—the return of POW's, the fullest possible accounting for the still missing, and the repatriation of the remains of those who died serving our Nation." [11]

This Presidential commitment is shared personally by Secretary Shultz and actively pursued by the Department of State. We know that this is also an issue of serious concern to this subcommittee and this task force and we are deeply appreciative of

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[10] Source: *MIA/POW's in Southeast Asia: A Continuing National Priority. Hearing Before the Subcommittee on Asian and Pacific Affairs of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 6-11.

[11] See document 518.

your support for our efforts. Today I would like to discuss some developments on the POW/MIA issue in the context of our policy toward the region.

I have given a statement to your staff answering the specific questions you addressed in your letter, although my statement goes in a somewhat different order.

The United States seeks to play a constructive and positive role in maintaining peace and security in Southeast Asia. We believe, along with the ASEAN nations, that Vietnam's continued occupation of Kampuchea is the main threat to stability in the region.

It is our policy to strongly support ASEAN in its efforts to obtain a comprehensive, political settlement in Kampuchea based on the principles in the declaration of the International Conference on Kampuchea. These principles include the complete withdrawal of Vietnamese forces from Kampuchea and the restoration of Khmer independence and self-determination. Vietnam, however, is still determined to maintain its domination of Kampuchea by military occupation. We have made it clear that we will not consider normalization of relations with Vietnam as long as it continues to occupy Kampuchea and to play a destabilizing role in the region.

At the same time, the POW/MIA issue is a humanitarian issue of the highest priority on which we believe progress should be made now. Indeed, our Government sees it as the most important bilateral issue between our countries.

In his January 28 address to the League of Families, President Reagan said that he had called on the government in Hanoi to honor their pledges to the American people on the POW/MIA issue. During the past year we have acted to encourage the Vietnamese to meet their humanitarian obligations.

We have also made efforts to encourage cooperation from the Government of Laos in the context of our bilateral relations. Additionally, we have kept this important humanitarian issue before the international community.

The highlights of the administration's efforts with the Vietnamese include the following:

In February 1982, a delegation led by then Deputy Assistant Secretary of Defense Armitage traveled to Hanoi to impress on the Vietnamese the importance that this administration attaches to the POW/MIA issue.

Last August, Vietnamese POW/MIA specialists visited the Joint Casualty Resolution Center and the Central Identification Laboratory in Hawaii.

In September, the Vietnamese Foreign Minister announced agreement to our longstanding proposal that POW/MIA specialists on both sides meet regularly. Four meetings a year have been agreed upon and three have taken place. The Vietnamese used the occasion of the last meeting to return the remains of nine individuals and identification materials of three others.

We expect these meetings to continue. We have proposed the next meeting for September. We believe that they are useful in themselves for exchange of information and to remind the Vietnamese of the importance we attach to this issue. Their real value, however, would be in leading to more extensive cooperation on the part of the Vietnamese Government than anything we have unfortunately so far seen.

Unfortunately, progress on this issue has been disappointing because the Vietnamese Government still seems to want to use this humanitarian issue for political purposes.

We have also continued to seek the cooperation of Laos, and welcome the cooperative gestures which the Lao Government has made in the past year.

This administration supported the League of Families' visit to Laos last September. The visit was helpful in encouraging the Lao Government to be more cooperative on MIA matters. During the league visit, new ground was broken by permitting broader U.S. Government contact within the Lao Government and some U.S. Government travel outside Vientiane. This followed earlier U.S. Government actions, such as emergency medical assistance and visits by several congressional figures, to demonstrate our interest in an improved relationship.

We followed up the Lao Government discussions with the league during a series of talks with Lao officials by Deputy Assistant Secretary O'Donohue, former Sen-

ator Havakawa in his capacity as a special advisor to the Secretary of State on Asian and Pacific Relations, and the chargé at the American Embassy in Vientiane.

We have made it clear to the Lao in our discussions that an improvement in our overall bilateral relationship depends on both sides taking concrete steps to demonstrate progress.

Last January, President Reagan stated before the League of Families that progress on the POW/MIA issue will be a principal measure of Lao sincerity in improving relations.

This past February, the Lao permitted a team from the Joint Casualty Resolution Center and the Central Identification Laboratory to visit Vientiane for talks with Lao counterparts about specific cases and joint searches of crash sites. This was the first such visit since 1975.

We have indicated to the Lao Government that a pattern of Lao cooperation on the POW/MIA issue would be important in securing congressional support for lifting the legislative ban on aid to Laos. Depending on how our relations develop, other steps, such as upgrading diplomatic relations, could also be considered.

Finally, we have stated at the highest levels of government that we are strongly opposed to private cross-border forays in search of prisoners or remains. Such forays are counterproductive and hurt our government-to-government efforts. We believe that such forays may have delayed the Lao in responding to our interest on joint crash site searches by causing uncertainty about U.S. intentions toward Laos.

In addition to our efforts on the POW/MIA issue with the Vietnamese and the Lao, this administration has kept this issue before the international community. Our actions include the following:

At his meetings in Bangkok last month, Secretary Shultz asked the ASEAN Foreign Ministers to help us in resolving the MIA issue. [12]

If I might digress for a moment, I would like to read you the words that he included in his opening statement to the ASEAN Foreign Ministers. This was part of a general review of U.S. policy in Southeast Asia, and the meeting opened in front of the television cameras. So this particular statement was on the record, and I am now reading what Secretary Shultz said at the time:

> "On one particularly painful matter we ask your help, accounting for the Americans missing in Indochina is a matter of highest national priority for President Reagan and for the American people. We urge both Hanoi and Vientiane to cooperate in resolving this humanitarian issue. The United States greatly values any assistance the ASEAN countries can provide us in seeking the fullest possible accounting of our missing men.
>
> "As for Laos, the United States has shown readiness to improve relations based on concrete steps by both sides. We remain committed to this process."

It was striking, Mr. Chairman, when we went into closed sessions immediately after that, that one of the points that the ASEAN Foreign Ministers picked up on most immediately in the Secretary's rather long remarks was this specific appeal on the POW/MIA issue. And the Foreign Ministers present asked us to tell them in as much detail as possible how they could help us to pursue this issue in any contacts they had with Vietnam and with Laos.

We also regularly request senior officials from the ASEAN countries and other selected countries to meet with the Lao or Vietnamese to impress upon them the importance that we attach to this issue. Such approaches bring home to the Lao and Vietnamese that the POW/MIA issue can affect their broader foreign policy interests.

American Embassies in Asia and Europe are aware of the importance of this issue and are prepared to make full use of opportunities to seek the help of friendly countries.

The Thai Government has granted special access for Joint Casualty Resolution Center liaison staff to the Lao, Vietnamese, and Cambodian refugee camps normally closed to outside groups. We greatly appreciate the Thai Government's forthcoming cooperation.

Another area in which the administration has been active is in taking steps to

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[12] See document 455.

improve on the information that we are getting from refugees.

Our embassies in Southeast Asia reviewed procedures for debriefing refugees recently to assure that we are getting all of the information available.

Over 500 letters were sent from the Department of Health and Human Services to refugee mutual assistance associations in the United States requesting that they contact their members for information regarding POW/MIA's.

At the suggestion of the National League of Families, a Department of Health and Human Services pilot project is under way in Texas to locate Indochinese refugee public assistance recipients in Texas to send them leaflets inquiring if they have information on MIA's. If the results of this project are promising, it could be expanded to other States.

The same leaflet will also be made available to private voluntary organizations involved in the resettlement of refugees in the United States.

The agencies primarily concerned with this issue, the Departments of State, Defense, the Defense Intelligence Agency, and the National Security Council are working closely with the executive director of the National League of Families in the framework of the Interagency Group on POW/MIA's.

Interagency group members cooperate in assisting the league's efforts to stimulate public awareness on this issue and implementing the Government's public awareness program.

Interagency group members work together in a common effort to investigate reports bearing on the POW/MIA issue. Investigations of live sighting reports are assigned highest priority based on the assumption that some Americans are still being held captive. Although hard evidence of live POW's has not yet been obtained, information from all sources is actively solicited and evaluated.

Interagency group members work together in developing new approaches to make progress on this issue and have especially valued the working relationship with the league.

The league initiative to visit Laos last September made a definite contribution to moving forward on the POW/MIA issue.

The league's institutional knowledge has been of immense help to us in implementing our accounting efforts.

Our responsible partnership with the league has shown that there can be a variety of approaches to resolving this issue and the governments can work together effectively to achieve our common goal.

I would like to conclude with a word about the role of Congress, Mr. Chairman.

We particularly appreciate the support of the Congress for our efforts to make progress on this issue, both with Vietnam and with Laos.

With regard to Laos, the visits of former Senator Hayakawa, who is here with us today, and of former Congressmen Hendon and LeBoutillier were very helpful in encouraging a change in the Lao Government's attitudes on cooperation with regard to the POW/MIA issue.

We appreciate the resolutions passed in Congress last December encouraging both the Laos and United States Government to act with dispatch to make progress on resolving the POW/MIA issue. Particularly useful was your statement, Mr. Chairman, that if a pattern of cooperation should develop between the United States and Laos Governments, especially on the POW/MIA issue, you would support efforts to remove the aid prohibition on Laos.

Further, the POW/MIA Task Force has helped to focus attention on this issue. We welcome the interest of Congressman Gilman and others in this group. Additionally, several staff members of Congress have regularly and constructively participated in the meetings of the Interagency Group in POW/MIA affairs. We look forward to more cooperation of this kind and regard it as a positive asset in our efforts to make progress on the POW/MIA issue.

I would add, Mr. Chairman, I think your point about the importance of the bipartisanship of this effort is central to the long-term success, because I think the key to success lies in persuading the Vietnamese that we are a united country and united people on this crucial issue.

The record of progress on the POW/MIA issue remains painfully disappointing and frustrating. Our efforts over the past year demonstrate the high priority that this administration and the American people attach to the POW/MIA issue and our determination to pursue actively our efforts. At the same time, it is clear that the problem of Americans unaccounted for in Indochina cannot be resolved without the cooperation of the Governments of Vietnam and Laos.

The Vietnamese and Laos Governments have admitted that this is a humanitarian issue. They have an obligation to cooperate. The Vietnamese Government has been unwilling to cooperate fully and cooperation by the Laos Government is in the initial stage.

For our part, I can assure you that over the next year we will work closely with the Congress, the league, and concerned citizens to meet our obligations to our missing men and their families. As the President has said, this is our highest national priority. And I can assure you of my own determination and that of the Department of State to support this truly national effort.

Thank you, Mr. Chairman.

Document 524

Statement Read by the Department of State Acting Spokesman (Romberg), December 8, 1983 [13]

Vietnamese Pledge To Turn Over Information Regarding the Search For POW–MIA's in Indochina

On Vietnam: We note Vietnamese Foreign Minister Nguyen Co Thach's statement that he had some information on the search for American servicemen listed as missing as a result of the Vietnam war. He said he would turn the information over to the U.S. Government.

We welcome Mr. Thach's statement which is in the spirit of the Vietnamese memorandum of August 16, 1983. This memorandum stated that they would continue the search for missing Americans in keeping with the humanitarian nature of the accounting issue.

We especially welcome Mr. Thach's pledge to turn over this information directly to the U.S. Government since the only way to achieve the fullest possible accounting is through government-to-government channels.

We hope the Vietnamese will be contacting us shortly regarding this matter.

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[13] Source: Office of Press Relations, Department of State. The statement was read at the Department of State Daily Press Briefing beginning at 12:35 p.m.

Chapter 14. Africa

A. General Policy

Document 525

Letter From President Reagan to the President of the African Development Bank (Mung'Omba), February 8, 1983 [1]

U.S. Acceptance of Membership in the African Development Bank

DEAR MR. PRESIDENT: On behalf of the United States of America, it gives me great pleasure to accept membership in the African Development Bank in accordance with Board of Governors resolutions 05–79, 06–79, and 07–79.

In accepting membership, I also wish to inform you of the following:

1. The United States of America has completed all steps necessary in accordance with its laws and is prepared to fulfill all the obligations of membership under the Agreement Establishing the Bank. [2]

2. On January 31, 1983, a duly authorized representative of the United States of America signed the Agreement Establishing the Bank and deposited our instrument of acceptance with the United Nations.

3. The United States of America hereby subscribes to 1,491 shares of the paid-up capital stock of the African Development Bank ("Bank"), and 4,473 shares of the callable capital stock of the Bank (inasmuch as pertinent budgetary appropriations have already been obtained); and subscribes, subject to obtaining budgetary appropriations, to an additional 5,964 shares of the paid-up capital stock of the Bank and an additional 17,892 shares of the callable capital stock of the Bank in accordance with the provisions of the General Rules Governing Admission of Non-regional Countries to Membership in the Bank.

4. I have nominated Donald T. Regan, Secretary of the Treasury, to be Governor of the Bank and W. Allen Wallis, Under Secretary of State for Economic Affairs, to be Alternate Governor of the Bank. The Senate is now in the process of confirming those nominations. We will notify you when they have been confirmed.

5. Pursuant to Article 40 of the Agreement Establishing the African Development Bank, the United States of America designates the Department of the Treasury for purposes of communication with the Bank on matters connected with the Agreement, and the Federal Reserve Bank of New York as the depository in which the Bank may keep its holdings of the currency of the United States of America or other assets.

6. The United States of America has fulfilled all the legal requirements necessary to make the subscription to the capital stock and to assure that the currency received by the Bank thereunder shall be freely convertible into the currencies of other countries for the purposes of the Bank's operations.

Sincerely,

RONALD REAGAN

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[1] Source: White House Press Release, February 8, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, February 14, 1983, p. 208. On the same day, President Reagan signed Executive Order 12403, facilitating U.S. participation in the African Development Bank. For text of the Executive order, see *ibid.*, p. 209.

[2] For text of the Agreement Establishing the African Development Bank, signed at Khartoum, August 4, 1963, entered into force, September 10, 1964, see 510 UNTS 46 and 569 UNTS 353 (corr.); for the amendments of the agreement, adopted at Abidjan, May 17, 1979, entered into force, May 7, 1982, see the Annex to African Development Bank Board of Governors Resolution 05–79, adopted at Abidjan, May 17, 1979, in African Board of Governors Document ADB/BG/XV/05 Rev.II. The United States signed the amended agreement, January 31, 1983, and it entered into force for the United States, February 8, 1983.

Document 526

Prepared Statement by the Secretary of Defense (Weinberger) Before the House Foreign Affairs Committee, February 22, 1983 (Extract) [3]

U.S. Security Assistance Programs in Africa

. . . . . .

Most of the country programs in Africa relate to our strategic access and for resisting Soviet surrogates. We need to continue programs with Sudan, Somalia, and Kenya to provide for access to air and port facilities which support our peacetime presence in the Indian Ocean and our conventional deterrence strategy in the Arabian Gulf/Indian Ocean area. The programs are small, however, and we give due regard to a country's ability to absorb equipment and pay back loans.

Failure to provide such minimal defense capability to Somalia could undermine its pro-Western regime and encourage further Soviet, Libyan, and Cuban expansion in the region. The Sudan has been a strong supporter of the Egyptian-Israeli peace treaty. It is strategically located and militarily and economically vulnerable. Failure to continue or to increase the levels, or to improve the terms of Sudan's assistance, will jeopardize the new F-5 program and weaken the Sudan's ability to maintain U.S. equipment previously delivered. It will also create opportunities for Libyan intervention that would threaten Egypt's security.

Similar requirements for Kenya's F-5 program, e.g., the need to revamp its infrastructure and to acquire a modest radar system and associated command and control facilities, are equally essential. On the West Coast of Africa, the President's request for Liberia is designed mostly to continue the military housing program underway, success of which is tied to President Doe's determination to return the country to civilian rule. Other programs in Zaire, Niger, and in Botswana sustain long-term or newly developed military relationships. These will help provide critical national infrastructure with African states and help terminate Soviet supported adventurism.

. . . . . .

[3] Source: *Foreign Assistance Legislation for Fiscal Years 1984–85: Hearings Before the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1984), Part 1, pp. 166–167.

Document 527

Prepared Statement by the Assistant Administrator for Africa, Agency for International Development (Ruddy), Before a Subcommittee of the Senate Appropriations Committee, March 3, 1983 [4]

Objectives of the U.S. Aid Program for Africa

I am here today to outline the objectives of the U.S. aid program to Africa. The budget presented to you is an integrated foreign assistance budget. We intend to use Development Assistance, Economic Support Funds, and PL 480 [5] food resources to combat hunger, disease, and poverty while at the same time assisting African nations achieve equitable economic growth.

These programs seek to reach these objectives by supporting:

(1) the adoption of national policies which encourage Africans to expand agricultural production, especially food crops;

[4] Source: *Foreign Assistance and Related Programs Appropriations for Fiscal Year 1984: Hearings Before a Subcommittee of the Committee on Appropriations, United States Senate, Ninety-eighth Congress, First Session* (Washington, 1983), Part 1, pp. 339–344. Ruddy's statement was submitted to the Subcommittee on Foreign Assistance and Related Programs.

[5] Title I of P.L. 480 authorizes the President to arrange for the sale of agricultural commodities to friendly governments in exchange for local currencies. Title III authorizes him to permit certain needy countries to use local currencies from P.L. 480 sales to develop their food production and distribution capabilities as part of a Food for Development Program. For texts of Titles I and III, as amended, see 7 U.S.C. 1701 *et seq.* and 1725 *et seq.*

(2) the development of self-sustaining institutions that respond to the agricultural, health, and educational requirements of African nations; and

(3) the development of self-sustaining private sectors in these countries.

There are no easy answers. African economic performance has seriously deteriorated. Seventy percent of the people in Africa depend on agricultural products for their livelihood. Agricultural production has grown by less than 2 percent per year, a rate that is .8 percent less than the population growth rate. Africa also has the highest infant and child mortality rates and the lowest life expectancy of any region in the world. But there is cause for optimism. Africa does have the capacity to produce food at home. Africa has tremendous economic potential. Millions of acres of land can be brought under irrigation. Women provide the major share of agricultural labor in Africa, and effective integration of women into economic and social development can increase agricultural productivity. School enrollment that now includes 63 percent of primary school age children and an increased life expectancy from 39 to 47 years in the last 20 years are indicative of a potentially more productive human resources base. Maintaining and expanding these gains in health and education will require expansion of the directly productive sector and tax bases of the African economies. We and the Africans know this. More importantly, increased food production is not only our priority, it is a priority for the Africans themselves, and that gives us an unprecedented opportunity to work together for a common goal.

Internal problems such as underdeveloped African infrastructure, a lack of institutions and an untrained work force to some degree explain low income levels in Africa. External and uncontrollable forces such as the global recession are another part of the explanation. But the number one cause of Africa's inability to grow is unrealistic government economic policies. These are policies like overvalued exchange rates that encourage imports and discourage domestic production; agricultural pricing policies that undervalue agricultural products; artificial controls on agricultural necessities like fertilizer or seeds by inefficient marketing boards, and restrictions on the sale of farm products. These kinds of policies shackle productive energies, dry up incentives, and slow the pace of technical change in what should be the most dynamic growth sector throughout much of Africa and, unaltered, will continue the economic stagnation and decline in Africa. The need for policy reform is emphasized by projections of the World Bank that even with substantial global economic recovery, Africa will struggle to maintain current living standards during the 1980s.

That is why the Africa Bureau is giving increasing emphasis to policy change. Improved agricutural, administrative, and pricing policies emphasing incentives will stimulate production. They will also facilitate the adoption of improved production techniques which make traditional assistance programs more effective. For example, AID has always managed projects in agricultural research, extension, and credit. We found that although high yielding seeds might provide the technical basis for increased production, actual increases depend upon the availability of fertilizer and price levels which make use of fertilizer and improved seed economically sensible for the farmer.

The Economic Support Fund (ESF) has been effective in the policy dialogue. The dialogue demands discretion and realism about the resources and length of time required to bring about changes. It is important to remember that policy change questions must be considered in the political context of each country. Even so, policy improvement and greater reliance on market mechanisms, particularly in agriculture, are occurring with increasing frequency. By way of example, in Zimbabwe, the Government is effecting reforms to encourage the creation of private rural savings organizations which will mobilize resources for rural businesses and small farmers. In Somalia, the authorities of the state trading monopoly have been trimmed. Private importers are now allowed to import basic goods. The state agency is left to import goods only for the public sector entities such as the military and schools. The Government has reduced the role of its marketing monopoly. Farmers may now sell to private traders at open market prices and are receiving two to three times the official price for their crops. The Government has closed down four state enterprises, including those handling livestock, building materials, textiles, and fish. Both of these ESF program countries are experiencing substantial de-

velopment benefits as a result of these changes.

PL 480 assistance is important in dealing with Africa's growing food crisis and increasing inability to finance additional commercial food imports. Title I and Title III [6] programs provide a good mechanism for encouraging policy change, as long as we make sure these programs do not become disincentives to production.

The development problems and fiscal crises on the continent demand close coordination among the more than 50 donors currently in Africa to avoid duplication and conflict. AID coordinates its efforts on three levels: with other donors, with African country groupings, and with other U.S. Government agencies.

The CDA (Cooperation for Development in Africa) and the Club du Sahel are representative of donor coordinating efforts. During 1982 AID, working with Britain, Belgium, France, Canada, Germany, and Italy, reoriented agricultural research to focus on small holder farming systems. We know that small farms produce more per acre than large farms. Our research, therefore, stresses productive technology for the small farm holders. This year programs will be developed to strengthen national research systems in five separate ecological zones. The CDA health sector committee, chaired by the United States, is now implementing an Africa-wide project to combat childhood communicable diseases which are responsible for much of the mortality among Africa's children. AID continues to work closely with African groups such as CILSS (the Permanent Institute [*Interstate*] Committee for Drought Control in the Sahel), ECOWAS (the Economic Community of West African States), and SADCC (the Southern African Development Coordination Cooperative). With the other Club du Sahel donors, we are supporting the establishment of a CILSS organization to collect, analyze, and disseminate weather and hydrological data for the Sahel. Much improved land-use and environmental decisions for increasing production will ultimately result from the effort.

On the subject of the Sahel program, we have taken action to improve program and financial management. In the past year we have reviewed accounting systems, trained personnel in financial management, and carefully monitored the program. I am keenly aware of the Congress' concern about the Sahel program, and I want to reassure this Committee that I take the need to continue improving program management very seriously. I have, for example, determined that we must expand the AID Inspector General's audit staff in West Africa to enable more rapid and thorough coverage of the Sahel program. In one case, e.g., Mali, I have cancelled an ongoing project because of deficiencies in administration of the activity. We are continuing to review our own staff capabilities to determine where additional personnel are required to improve financial management and we are undertaking efforts such as the Sahel Financial Management project to increase the capacity in the host government institutions themselves.

The Africa Bureau and its counterparts in the State Department and Treasury, and the U.S. Governors at the IMF and IBRD, have formed a working group to analyze the economic crises affecting several key countries in Africa so that the U.S. Government speaks with one voice on these important issues. This has already led to substantive improvement in assistance in Sudan, and we are optimistic about Kenya and Zambia.

We believe that reinforcing the traditional assistance program with improvements in macroeconomic and sector policies of the African countries along with improved donor coordination can accelerate the development of Africa's considerable resources. This effort can also lead to higher levels of growth and a lasting improvement in the quality of life of African populations.

In FY 1984 we are proposing that the United States provide $963.7 million in assistance to Africa for development and country assistance and PL 480.

The $350.3 million in Development Assistance includes:

—$149.6 million for agriculture and rural development;

—$30.2 million for health activities;

[6] Title II of P.L. 480 authorizes the President to use U.S. agricultural commodities as emergency aid to combat famine and malnutrition abroad. For text of Title II, as amended, see 7 U.S.C. 1721 *et seq.*

—$33.2 million for education and human resources development;

—$23.7 million to address selected development problems, primarily energy and the private sector;

—$10.6 million for population planning; and

—$103.0 million for the Sahel, primarily for agriculture (food production and environmental reclamation), health, population, and related training.

In addition to Development Assistance we are requesting $409 million in Economic Supporting Funds, primarily for programs in Southern Africa and the Horn of Africa.

In PL 480 we are requesting $204.4 million in PL 480 with $132.5 [million] in Title I and $ 71.9 million for Title II. [7]

Document 528

Prepared Statement by the Assistant Secretary of State for African Affairs (Crocker) Before a Subcommittee of the Senate Foreign Relations Committee, March 8, 1983 [8]

Security and Development Assistance Proposals for Africa

I appreciate this opportunity to discuss with you publicly and for the record our proposals for Africa for 1984. I am most concerned that those of us who are truly committed to a positive future for Africa carefully examine the role of foreign assistance in achieving that future.

American interests in Africa are varied, complex and growing rapidly. They include such obvious material and strategic interests as access to vital minerals and the importance of maintaining partnership with friendly nations flanking the transportation lanes to the Persian Gulf. They include our deep concern for the economic development and growth of Africa, without which the continent cannot realize its great potential.

Americans are tied to Africa by bonds of ancestry and culture. We remain committed to helping Africans suffering the effects of famine and civil strife, all too common in the world's most recently independent continent. We are actively seeking peaceful solutions to the conflicts and problems in southern Africa. We remain equally determined to prevent Soviet, Cuban and Libyan adversaries from taking advantage of Africa's current weaknesses to pursue strategies of destabilization, which could further delay Africa's progress toward economic and political well being.

Above all I believe that the United States, by virtue of our technical skills, economic strength, and humanitarian concern, has the wherewithal to forge a growing and mutually advantageous partnership with Africa. And we know that increasing numbers of African leaders look to the West for help.

The request for economic and military assistance now under consideration is certainly not the only means to help us achieve a more effective partnership with Africa—much can be done by private individuals and organizations—but there can be no doubt that aid is of critical importance. The request is the minimum that is needed to do the job, based on full awareness of budgetary constraints and the sacrifices that cuts in domestic programs are imposing on many Americans.

We are not alone in this effort. Our allies, particularly the Europeans, bear a major share of the burden. Our own contribution of bilateral economic aid ranks third behind France and Germany. The United States is taking the lead in only a few countries, such as Liberia and Sudan,

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[7] As of January 1984, the P.L. 480 program for Africa in fiscal year 1984 totaled $211.8 million and was increasing because of the famine in Africa. It included a fiscal year 1984 emergency food aid contribution of $74.2 million (185,000 metric tons). (*Foreign Assistance and Related Programs Appropriations for 1985: Hearings Before a Subcommittee of the Committee on Appropriations, House of Representatives, Ninety-eighth Congress, Second Session* (Washington, 1984), Part 1, p. 36)

[8] Source: *Security and Development Assistance: Hearings Before the Committee on Foreign Relations, United States Senate, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 423–432. The statement was presented to the Subcommittee on African Affairs.

which are of special importance to us. While we welcome the key role of our allies, it is nonetheless clear that further erosion of our assistance levels will threaten our ability to promote U.S. interests or even to cooperate effectively with our allies. In this connection, it must be a matter of concern that although our interests in Africa are steadily increasing, American aid is barely keeping pace with inflation. A recent GAO study notes that in the early 1960's the United States contributed 60 percent of total economic aid, worldwide. Today the level of U.S. bilateral aid is down to 16 percent of worldwide official aid flows. In Africa, U.S. bilateral economic aid is less than 10 percent of official aid from all sources.

ECONOMIC CRISIS: THE THREAT TO AFRICA'S POLITICAL VIABILITY

In the past year we have witnessed growing desperation among African countries, most of which are dependent on one or two primary products for their income, as they have had to suffer the painful consequences of continued low commodity prices. For these countries, declining food production, mushrooming population and skyrocketing international indebtedness are not descriptive terms, but threats to the lives of their people and to their very existence as nations. The impact of today's world recession has been aggravated substantially by the growth-inhibiting economic policies pursued by many African countries over the past generation.

In the last year some two dozen African countries have sought the assistance of the IMF in dealing with their economic difficulties. A dozen or so of these nations have also had to reschedule their external government debt. And still the great majority of African nations face extremely limited short-run prospects for improvement in their financial situations.

The unprecedented economic crisis in Africa threatens U.S. interests on several levels. Unless it is alleviated, African leaders will be increasingly attracted by authoritarian or repressive political strategies with destructive consequences. Although Africa does not have debt problems on the scale of Latin America, default by one or more major African countries would certainly increase present strains on the international financial system. Unchecked economic crisis will in time generate a further burden of famine, refugees and civil strife, deplorable in itself and demanding expensive international relief efforts in response. Finally I would remind you that one out of five U.S. jobs depends in some way on international trade, and that 40 percent of our cropland is devoted to production for export. Weak performance in Africa reduces the growth in our export sales, depresses our economic growth, and slows job creation in the United States.

The successful uses of assistance: ESF and DA

We must not conclude, however, that all is doom and gloom. There are bright spots on the African horizon, and our aid programs have had a significant role in some of them. In Senegal, for example, USAID has been instrumental in improving health conditions, in bringing to rural villages the results of agricultural research and new technological developments, and in increasing crop yields significantly. Our aid has been equally successful in Zimbabwe, where despite political problems, the government has clearly demonstrated its ability to absorb and use effectively our assistance in support of pragmatic economic policies. An ESF-funded commodity import program has provided badly needed direct support for the private sector, among other things enabling a major American firm, Caterpillar, to continue a program which trains black employees in a wide range of skills.

For many countries in Africa, the present crisis requires a two-phased response. The first phase is usually an IMF supported stabilization program which emphasizes short-term balance of payments adjustment. IMF programs often demand painful reform measures, including adjustment of overvalued exchange rates, reduction in domestic budgets, and elimination of subsidies. Relief from unmanageable debt burdens through rescheduling may be a necessary adjunct to an IMF program. If successful, the stabilization phase will eliminate major disincentives to exporters and other domestic producers and set the stage for renewed growth. The second phase is typically an investment program whereby the World Bank and other donors encourage and help finance growth-producing development activities. Our leadership over the past 6 months has been instrumental in organizing such a multifaceted response to Sudan's economic crisis. Within the past month, donors have agreed to support a World Bank approved investment pro-

gram, the IMF has approved a new stabilization program for Sudan, and official creditors have provided needed debt relief.

Our aid is essential in both phases. Fast disbursing balance of payments assistance, often provided in the form of ESF, may be required to help close the balance of payments gap in conjunction with the IMF and other donors. Our balance-of-payments support is directly keyed to economic reform efforts being urged by the IBRD and IMF. Later in the investment phase, both project and nonproject aid funded with Development Assistance, ESF and Public Law 480, can be provided with accompanying technical assistance to help get the growth process going again. It is essential that the two phases—stabilization and growth—be presented together, because unless African leaders perceive and understand and can reasonably count on the relationship between austerity and growth, they will hardly be willing to take the political risks which this process demands of them.

Our ESF programs provide much appreciated, fast-acting assistance to key countries like Kenya and Sudan precisely when they are undertaking painful and expensive reform measures. These programs also have high developmental content. One common means of disbursing such aid is the commodity import program, or CIP. This mechanism has the added advantage of stimulating American exports to promising African markets. CIP's enable us to provide capital goods and spare parts without which local American firms, often squeezed by severe foreign exchange shortages, might go under. The result is a boost to the private sector, frequently to firms which are training Africans, contributing to agricultural development, and serving as agents of technology, as in Zimbabwe. A significant component of our CIP programs in Africa consists of inputs of importance to the local agricultural sector: fertilizer and farm machinery are two examples which spring to mind. Without our programs these countries could not afford such imports, leading to even further declines in their food production. Finally, when CIP-financed goods are sold they generate local currencies which are jointly administered by AID and the host government to fund development activities.

Africa's crisis demands a balanced and flexible mixture of project and nonproject economic assistance designed to help meet a combination of short, medium and long-term requirements. The growth in nonproject aid in recent years, delivered primarily through ESF and Title I Public Law 480, reflects the depth of the current crisis and the consequent emphasis on successful economic stabilization. The need for such assistance is recognized by virtually all development experts, and was endorsed by the World Bank's 1981 study, "Accelerated Development in Sub-Saharan Africa: an Agenda for Action," [9] which noted that "quick disbursing balance of payments assistance is critically needed in some countries to permit fuller operation and maintenance of existing productive capacity and infrastructure."

Our project aid continues to support programs in the important fields of agriculture, health, population and manpower development. The effectiveness of these projects and their long range impact on economic development is obviously strengthened if they are carried out in the context of sound national economic policies. Many of these projects have been instrumental in helping the Africans to manage essential, but often drastic, policy changes and programs devoted to serving the "basic human needs" concept.

ADDRESSING AFRICA'S SECURITY AND DEVELOPMENT NEEDS

Whatever we and the Africans themselves may wish, the politics of survival dictate that for the majority of African countries security and development are inseparable. In Africa, the security problem is particularly difficult because not only are the economies weak and vulnerable, but the means of legitimate self-defense are expensive and draw on scarce resources. Our answer to Africa must include a response to legitimate needs, both for self-defense and for development. In shaping our response we have focused most heavily on the economic requirement, but we have not and must not neglect the defense needs of our friends in Africa who face direct threats from abroad.

Terms of partnership

In undertaking a response to Africa's several problems, we cannot force on Africa solutions that we would reject for

[9] The study was prepared by Elliot J. Berg.

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ourselves as untenable and unrealistic. Instead, in his speech this past November in Kenya, Vice President Bush spoke explicitly of the kind of partnership with Africa that this administration views as possible and desirable:

> "Because we believe that Africa has the capacity and will to be master of her own destiny, President Reagan has, over the past 20 months, worked to forge a new and mature partnership with the nations and people of Africa. We speak of a partnership that begins with mutual respect. We speak of a partnership that includes honest discussions. We speak of a partnership which recognizes that each nation must do its part if the goals we share are to be achieved. Partnership is a two way street based on shared goals, common principles and mutual interests." [10]

What we envision and propose for Africa is a program of security and developmental assistance that takes into consideration African needs and realities as well as our own interests and capabilities. Because we are so convinced of the importance of the undertakings and the commitment we are asking the Congress to make on behalf of the American people, I want to make clear to you the process by which we arrived at the request levels we are placing before you today.

Security assistance to Africa: Myths and realities

I believe we need to begin by dealing with the pernicious misconception that this administration's goal is to arm Africa and in so doing contribute to both the diversion of funds that could be used for development and the increase of Africa's debt burden. In 1981, all of Africa, with the exception of Egypt, accounted for less than 1 percent of the total value of U.S. exports of defense articles and services. The foremost supplier of military equipment in Africa continues to be the Soviet Union; the United States is fourth or fifth on the list. African nations themselves have asked us for assistance in assuring their security.

Madam Chairwoman, [11] the administration is often criticized for requesting funds for large, expensive military assistance programs that wind up in ruins and that detract from the critical need for economic development. I would like to take a moment to set the record straight. The United States can point with pride to the fact that the great majority of our programs in Africa are successful. These programs, ranging from armored cars in Botswana to helicopters in Kenya to housing construction in Liberia, are effective, operating programs. Additionally, a great many of these programs have had direct beneficial civilian spin-offs in terms of infrastructure improvements and trained manpower.

We have successful ongoing programs in Botswana, Gabon, Kenya, Liberia, Senegal, Sudan, and Somalia. These programs run the gamut from engineering in Liberia, Senegal, and Sudan to aviation in Kenya and mechanized infantry and armor in Botswana, Gabon, and Somalia. These programs have not only added to the capabilities of the host military but have introduced senior officials to the concepts of planning, budgeting, and logistics that are vital to the success of any military organization. I would also like to point out that all of the United States FMS programs in Africa have come in at, or under, the projected cost.

These programs also provide direct civilian benefits. The engineering and construction programs in Kenya, Liberia, Senegal, and Sudan have made direct contributions in the form of new facility and housing construction and of building and improving roads in both urban and rural areas. Communications programs in Somalia and Sudan allow the units in remote areas to communicate with population centers, not only for military purposes but also to get needed attention to civilian requirements and emergencies. Through both our IMET and FMS training programs we have trained large numbers of managers and technicians who are now providing much needed skills in their own countries. These skills range from finance, to administration, to engineering, to avionics, to electronics, and vehicle maintenance to name a few.

Finally, I must once again bring to your attention the tremendous success of our

[10] Crocker is referring here and subsequently in his prepared statement to Vice President Bush's November 19, 1982, address before the Kenyan Chamber of Commerce. For full text, see *American Foreign Policy: Current Documents, 1982*, p. 1162.

[11] Senator Nancy L. Kassebaum.

International Military Education and Training (IMET) program. Without exception, each of our Ambassadors reports that IMET is one of the most valuable programs we have to offer. Each of our missions would like to have more IMET to offer to the host country. We are beginning to see remarkable improvements in military management and equipment operation and maintenance in those countries where we have these programs. I cannot overemphasize the importance and value of our IMET program in Africa.

The vetting process

With regard to requests from African nations themselves for security assistance, let me point out that the close scrutiny the American people rightfully demand of such assistance requires that the administration employ a very careful screening process to assess the validity of a country's declaration of need. In the case of FMS/MAP, for example, the Department of Defense is often asked to lend its expertise and undertake a survey of needs. When the survey indicates that a need does exist, a stringent vetting process within the administration as a whole measures individual country requirements against other policy demands, both foreign and domestic. The bulk of our FMS/MAP program is concentrated in a few key countries such as Sudan, Somalia, Niger and Kenya.

I submit that a careful review by the Congress of the kind of security assistance we are requesting for Africa will clearly demonstrate that we are not ignoring developmental goals in favor of military sales. Instead, I have tried to make clear how critically key African countries need ESF assistance if they are to bridge the gap between economic and political survival created by the demands of economic reform programs, as you can see by our request of $963.7M in economic assistance against a total of $202.3M for military programs.

PART II—SECURITY ASSISTANCE PROGRAMS IN AFRICA

In seeking to address the issue of security assistance to Africa, we must first understand our own interests in that part of the world and our goal in view of those interests. It is important that we realize that for the most part, our actions in Africa are undertaken in concert with our Western Allies. We in the West see Africa as an important part of the global reality we all face. Africa's size, location, population, the number of governments Sub-Saharan Africa represents in international organizations; Africa's potential in terms of strategic minerals, trade, investment, and the global economic picture; the human needs the continent represents in light of our traditional humanitarian concerns: all of these factors shape the West's interest in Africa's development.

Our interests are best served by political and economic stability, which foster the peaceful development of modern African economic and political institutions that can interact with our own to mutual advantage. As Vice President Bush said in Nairobi last November, our overarching strategic goal in Africa is to help establish a framework for restraint and broad rules of conduct that will limit and discourage the application of outside force in African conflicts. We do not, however, view security assistance as a simple question of military assistance.

We continue to emphasize economic over military assistance at a ratio of better than 4 to 1. Peaceful development is the only way Africa will find solutions to the critical social and economic challenges which threaten security.

Africa is struggling to survive its worst economic crisis since World War II. This explains our emphasis on economic assistance. We recognize that even minimal conditions of security in Africa are impossible unless African states can stabilize their battered economies and regain the path of development. When insecurity is fueled by destabilization from external forces, and when instability is fed by internal economic difficulties, we promote African, as well as our own, interests in helping African friends to resist and overcome these factors. Let me turn now to a discussion of specific programs and concerns that fall under the Security Assistance rubric.

SOUTHERN AFRICA

Perhaps nowhere in Africa have our own security concerns, and our own security policies, coincided with African security needs and been more intensely engaged than in southern Africa. This region, from Zaire to the Cape of Good Hope, contains the bulk of Africa's mineral wealth, its most developed industrial structure, and almost two-thirds of the continent's GNP.

It is also a region threatened with the prospect of heightened violence and polarization that could lead to Great Power confrontation. It is precisely to avoid that possibility of violence and confrontation that we have fashioned a major effort to bring about regional peace and security. We have launched a policy of constructive engagement with all the states of the region who wish the same with us. A major policy objective is to provide an alternative to conflict, not only in Namibia but throughout the region. Vice President Bush summed up our policy in Nairobi last November when he said, "We are determined to help turn the sad tide of growing conflict and tension in southern Africa."

The United States and its Western allies are in a unique position to play a leading role in helping southern Africa reverse the trend of mounting violence and avoid disaster. The material resources we require in support of this regional diplomatic effort are comparatively modest but absolutely essential to its success.

Our Security Assistance request for southern Africa in fiscal year 1984 includes $155 million for ESF, $24 million for FMS/MAP, and $1.975 million IMET, for a total of $180.975 million. Our Supplemental request for 1983 totals $22.0 million in ESF and $21.0 million in FMS/MAP.

In order to elucidate how these requests fit into our strategy for the region, however, I shall address some specific programs.

Zaire

Zaire's size, mineral wealth and the fact that much of its southern border, including the borders of twice-invaded Shaba province, are contiguous with Angola's and Zambia's northern borders make Zaire's continued stability and viability important to our southern African strategy. We are concerned that recurrence of turmoil in Shaba province could have a disquieting effect on both Angola and Zambia that would hamper the West's efforts to engage those two states in the process of resolving southern Africa's regional conflicts.

Zaire faces critical economic problems and we are engaged with other allies, especially Belgium and France, the World Bank and the IMF in a broad based assistance effort. In 1983 France's total assistance to Zaire will be about $60 million and Belgium's about $90 million. Our own fiscal year 1983 assistance level, including DA and the Supplemental, will total about $48.5 million. In fiscal year 1984 we are proposing a total of $43.4 million.

From the FMS/MAP perspective, we have a C-130 program that is an important part of an agreement on our part with our allies and with Zaire to help with military airlift capability for the brigades now being trained by Belgium, France, China and Israel. Since we were able to provide only $2 million MAP and $2 million FMS under the CR for fiscal year 1983,[12] we are requesting an additional $8 million FMS and $8 million MAP in the supplemental for a total of $20 million in 1983, as well as $10 million in fiscal year 1984, in order to restore the C-130 program to a working level.

We are also requesting $7 million in ESF in the fiscal year 1983 Supplemental and $10 million in 1984 to be used for Commodity Import Programs (CIP). We are aware that this Committee indicated last year that it wished us not to expend ESF monies in Zaire until a record of compliance with the IMF is established.[13] We have reason to hope that the current effort being made by the Zairian Government to deal with some of the graver issues of mismanagement and lack of accountability that have proved damaging to its economy will in fact lead to an accord with the IMF in fiscal year 1983. Disbursements of our assistance will depend upon the existence of this record.

Our part in assisting Zaire's economic recovery will be directed toward revitalization of the private sector. Zaire's domestic industry is operating at from 25 to 40 percent of capacity because of shortages of imported equipment, spare parts and raw materials. The $7 million ESF in 1983 would be expended in those areas. The

[12] Reference is to the Continuing Resolution, P.L. 97-377, the Further Continuing Appropriations Act, 1983, approved December 21, 1982; 96 Stat. 1830.

[13] Reference is to legislation introduced by Senators Kassebaum and Tsongas on May 28, 1982, prohibiting the appropriation of ESF aid to Zaire until the President certified that Zaire had reached agreement with the IMF. For further information, see *American Foreign Policy: Current Documents, 1982*, p. 1239.

$10 million ESF in 1984 would help pay for agriculture imports.

Zimbabwe

Zimbabwe's emergence 3 years ago as a newly independent nation was a seminal event in the political evolution of southern Africa. The West's decision to assist Zimbabwe was based on our hope that Zimbabwe's development would reflect the best of our own values: commitment to respect for individual rights and freedoms, racial equality and integration, economic productivity and growth leading to a better life for its citizens.

This year, under the Continuing Resolution (CR), we fell $15 million short of the $75 million we requested for 1983 as part of our pledge to provide $75 million for the 3 years 1982–84. I hope this Committee will assist us in keeping that pledge in 1983 and in 1984 by giving Zimbabwe the funds we are requesting.

Recently widely-reported events in Zimbabwe may lead some to question whether we should keep our commitment. I hope this Committee will understand that it is critical that we remain engaged in Zimbabwe's future. Zimbabwe is a new nation whose leadership faces many competing and simultaneous pressures and demands. Its government has committed itself to a pragmatic course of economic policy, to the rule of law and to the path of reconciliation and respect for international frontiers. We take those commitments seriously, and have made our views known in an appropriate manner when we have concerns about developments in that country.

Moreover, we are sensitive to public perception in this country of our relationship with key countries in Africa—such as Zimbabwe and South Africa—just as we are in other regions.

Having said this, we are also deeply aware of the long-term and complex nature of the process of building stability and fostering peaceful change in southern Africa. If we expect to achieve instant results or consistent improvement, we are bound to be disappointed. Our policy recognizes this reality and the importance of this region to the West. To a certain degree, we are exposed to the risk of occasional disappointment. This is because we have assumed an active, positive and conciliatory stance toward the states of southern Africa, not a self-righteous, admonitory one. Africa's political future will hinge in substantial part on the ways in which the deep tensions of southern Africa are resolved.

It is for these reasons that this administration has adopted a policy of constructive engagement in southern Africa. There is no other responsible course for American policy. The goal we seek in southern Africa involves Zimbabwe as well as South Africa, Angola as well as Namibia, Botswana as well as Mozambique. Our reason for not turning our backs on Zimbabwe is the same reason for not turning our backs on South Africa: the price of success may be great, but the price of failure cannot be borne.

Other southern Africa programs

The compelling nature of our interests in southern Africa demands a response that indeed encompasses all of the states of the region. It is for this reason that we are requesting assistance both for specific countries and for a southern Africa regional program.

In Botswana, our objective is to strengthen that country's border security and thus provide a deterrent to destabilizing forces in the region. Past unresponsiveness on the part of the United States to Botswana's security concerns contributed to the formation of a limited military supply relationship with the Soviet Union. We view our FMS and ESF requests for Botswana as important to the continued ability of this moderate, democratic, multiparty state to make an active, positive contribution to the peaceful evolution of the region. We are requesting $10 million in ESF and $11 million in MAP/FMS guarantees in 1984 as well as an additional $2 million FMS in the fiscal year 1983 Supplemental to assist Botswana with building an adequate air defense, while at the same time helping to meet the developmental needs of its people. Our ESF program is focused on the country's agriculture and health sectors.

Our fiscal year 1984 request for $20 million in ESF for Zambia is based on equal concern about the continuing ability of a key player to sustain an important role in the evolution of events in southern Africa. Zambia has undertaken a positive approach to efforts to find a solution to the Namibia problem and other regional issues. The strategic location of Zambia, its mineral wealth in cobalt and copper,

and the support it has lent to the concept of peaceful solutions to the conflicts of the region make it important that we contribute to efforts to help that nation survive its current economic difficulties. Our programs in Zambia are principally related to agriculture, and specifically focused on increasing productivity and reducing imports.

The Southern Africa Regional Program for which we are requesting $40 million in ESF in 1984 is designed to complement our country-specific programs in addressing developmental issues that must be resolved if regional stability is to be achieved. The program is specifically directed toward two goals: (1) assisting the regional development efforts of the black-majority ruled countries in the Southern Africa Regional [Development] Coordinating Conference (SADCC) in the fields of transportation, communications and manpower training and (2) educational assistance to South African youth disadvantaged by the practice of apartheid in South Africa's educational system. For example, 116 students are currently studying in the United States and we hope eventually to place over 400 disadvantaged South Africans in U.S. universities.

EAST AFRICA

Our interests in East Africa and the Horn reflect to a great extent the region's considerable strategic significance to the West because of shipping and oil tanker lanes leading to Europe. Somalia and Kenya are critical to our logistical supply systems in the event of a security crisis in the Gulf or Middle East and Sudan plays a key role in containing Libyan aggression in East and Central Africa. The three recipients of a major portion of our total assistance to East Africa are Sudan, Somalia and Kenya, which together account for $498.9 million of the total $520.6 million (including DA, Public Law 480 and SA) we are requesting for East African and Indian Ocean countries.

Sudan

Sudan's greatest needs are economic, but recent events involving Libya make clear the need for traditional military assistance as well. [14] We are asking for $25 million ESF for Sudan in the Supplemental as well as $57.5 million FMS/MAP. This will mean $25 million more in ESF for 1983 than we originally requested for Sudan, but $24.5 million less in FMS/MAP in 1983 than we had originally requested. For 1984 we are requesting $120 million ESF and $60 million MAP monies.

Our emphasis on quick-disbursing ESF money stems from our concern that the most serious threat to stability in Sudan is internal political discontent as a result of poor economic conditions. Over the past 18 months Sudan has implemented a series of politically difficult economic reforms and far-reaching austerity measures. Despite these efforts, and despite increased agricultural productivity, Sudan's balance of payments gap remains close to the 1981 level, when the United States gave $100 million in a worldwide effort that provided $800 million to Sudan. The World Bank's recent reappraisal of Sudan's debt commitments in light of declining world prices for Sudan's principal exports has led the Bank to conclude that Sudan will need continued high levels of assistance for several years. As Sudan's closest Western friend, we are seeking to maintain the level of assistance needed both to help sustain Sudan through this difficult period and to encourage other countries to be as supportive as possible.

Our diplomatic efforts, supported by our significant assistance level, were instrumental in securing about $780 million in new aid commitments from donors at the World Bank sponsored Consultative Group meeting in mid-January. This aid level will enable Sudan to implement the first year of a 3-year, World Bank designed recovery program. It has also, in combination with devaluation and other economic reforms by the Sudanese and with the debt relief provided by Sudan's creditors, made a new IMF economic stabilization program possible.

Somalia

As one of the countries on the Horn with which we have a facilities access agreement, Somalia's stability and independence are important to Western interests in the Horn. Somalia was attacked last year by Ethiopian forces which continue to hold two towns in Somali territory. [15] So-

[14] See document 526.

[15] On July 2, 1982, Somali dissidents and Ethiopian troops crossed the Ethiopian-Somali

Continued

malia's own past history of irredentism has contributed to tensions in the region and raised questions on the part of some about possible provocations by Somalia. In this instance, however, we believe Ethiopia was the aggressor. Ethiopia possesses massive amounts of Soviet arms and has the largest standing army in Sub-Saharan Africa, one much larger and better equipped than the Somali army. It also has a security treaty with Libya and South Yemen. The apparent purpose of this incursion was to try to provoke the downfall of the Somali Government.

The case of Somalia is a vivid illustration of how our military assistance has helped a friendly country cope with hostile acts by a neighboring country. Last summer Soviet and Libyan-backed Ethiopian forces attacked Somalia along the common border and penetrated Somali territory. We responded to Somalia's request for assistance to defend its territory with two emergency airlifts. Our assistance reinforced our commitment to help a friend in protecting its territorial integrity and demonstrated to our adversaries that we will not stand idly by when hostile forces engage in such flagrant acts against our friends.

It is in this context that we are seeking $9 million MAP/FMS for Somalia in the 1983 Supplemental (to bring funds up to the $30 million we originally requested) and $35 million ESF and $40 million MAP in fiscal year 1984. Our military assistance is geared toward enhancing Somalia's ability to deter Ethiopian attacks.

ESF monies will provide short-term balance of payments relief through a CIP directed at providing raw materials, spare parts and the capital equipment necessary to rehabilitate the agricultural sector. Funds will also be used to help finance work on Kilamayo port.

Kenya

The August 1982 coup attempt in Kenya [16] raised critical questions about the viability of a country which has been viewed by the West as one of Africa's success stories and as key to the protection of Western strategic interests in the region. The coup attempt, however, destroyed neither our relations with Kenya nor civilian institutions in that country. What the coup did was to force Kenya and the Western community focus on the interplay between economic and political stability, the need for economic reforms in Kenya and the vulnerability of even the most successful of developing nations when faced with a worldwide economic crisis.

We are asking for $19.5 million FMS/MAP in the Supplemental to reach the $35 million level we had originally requested. For 1984 we are asking for $35 million MAP/FMS and $42 million ESF. The FMS/MAP funds will be used in part to help maintain the F-5 and helicopter programs, as requested by the Kenyan Government. The ESF monies will be used for a Commodity Import Program designed to finance items crucial to the agricultural production process. The purpose is to ensure that the foreign exchange shortages now affecting Kenya do not have a harmful impact on food and export crop production. The counterpart funds generated by the CIP will be used for credit programs, extension services and other activities directed to farm production.

West and Central Africa

Our security interests in West and Central Africa focus on two concerns, the continued stability and viability of Nigeria and the needs of nations facing threats of subversion or outright agression from Libya. Nigeria is one of our country's primary sources of imported oil and is a dominant economic force within the 16-nation Economic Community of West Africa States (ECOWAS). Due to the sharp drop in world oil prices Nigeria faces a precipitous reduction in its budgetary revenues and foreign exchange, which is having a severe impact upon its domestic economy. While we have no economic or security assistance programs for Nigeria, and none are contemplated for fiscal year 1984, we will give sustained attention to Nigeria's economic difficulties in our continuing high level dialogue with this important country in the months to come.

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border and occupied two small towns in northeast Somalia. The dissidents belonged to the Somali Democratic Liberation Front, allegedly financed in part by Libya. On July 24, 1982, the Department of State announced that the United States had begun flying weapons and military equipment into Somalia to assist it in repelling the raids.

[16] On August 1, 1982, lower-ranking officers of the Kenyan Air Force unsuccessfully attempted to overthrow the government of Daniel T. arap Moi.

Chad

Chad is one of two countries in Africa (the other was Uganda under Idi Amin) in which Libyan troops have openly intervened in an attempt to impose a government to Libya's liking, which it did from December 1980 until November 1981, when Libyan forces withdrew under pressure from the OAU. The United States on that occasion allocated $12 million for airlift and support of Zairian and Nigerian contingents in the OAU Peacekeeping Force. We also provided $17.8 million to Chad in fiscal year 1982 for emergency economic assistance, including food aid. Since then we have joined a multidonor effort to revive Chad's war-ravaged economy and central government operations. We plan to provide approximately $10 million for food and humanitarian assistance in fiscal year 1983 and have requested $9 million in DA in fiscal year 1984. Without this help Chad will have difficulty withstanding continuing Libyan subversion and the threat of a second military incursion. Although we look to France and other allies to provide Chad with needed security assistance, we are seeking $50,000 in IMET for fiscal year 1984 and are keeping Chad's needs under regular review in light of the recently heightened Libyan menace.

Niger and Senegal

Niger and Senegal are two moderate states in the Sahel under regular political, economic and security-related subversive pressures from Libya, but which publicly resist them. Niger shares a common border with Libya and stands in the way of Colonel Qadhafi's pan-Saharan expansionist ambitions. Senegalese troops had to help put down a bloody coup attempt by Libyan-inspired revolutionaries in neighboring Gambia, which has led to the formal creation of the Sene-Gambian Federation,[17] in large part because of common security needs caused by Libya's efforts at subversion. To meet Niger's additional requirements, we are requesting $1.3 million in FMS guaranty and $2.5 million in MAP in fiscal year 1983 Supplemental funds and $5 million in ESF in fiscal year 1984. We are also seeking to assist Senegal at this time of particularly urgent need with a fiscal year 1983 Supplemental request for $2.5 million FMS guaranty and $2.5 million MAP; $10 million in ESF in fiscal year 1984 is also requested.

CONCLUSION

At a time when domestic budgetary constraints demand scrupulous examination of any proposed expenditures, we all face difficult decisions with regard to requests for foreign assistance. The amount we are asking for Sub-Saharan Africa, however, comes to about 14 percent of the total foreign assistance budget request. It is the minimum the United States needs to sustain its part of the commitment we have undertaken with our allies to further Africa's development. In asking you to support this request, I also ask you to keep in mind the gravity of Africa's need and the importance to our own future, in terms of export markets, trade and jobs, not to mention meeting humanitarian concerns which are central to the Western tradition, of helping Africa to survive the threat to its political and economic growth and stability that is posed by the current economic crisis.

[17] See *American Foreign Policy: Current Documents, 1982*, p. 1242.

Document 529

Letter From the Assistant Secretary of State for African Affairs (Crocker) to Representative Clarence D. Long, May 3, 1983 [18]

"A Proper Balance" Between U.S. Economic and Military Assistance to Africa

DEAR MR. LONG: At your April 28 hearing on the Administration's FY 84 foreign assistance request you asked for the percentage increase between what the Congress approved for 1983 and what we requested for 1984.[19] Let me preface my

[18] Source: *Foreign Assistance and Related Programs Appropriations for 1984: Hearings Before a Subcommittee of the Committee on Appropriations, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), Part 4, pp. 356–357. Representative Long was the chairman of the Subcommittee on Foreign Operations.

[19] *Ibid.*, pp. 354–355, 358–359.

response by saying that I realize from your perspective it appears that the Administration comes back to the Congress every year with requests for sizable increases in our military assistance. Mr. Chairman, that is not the case in the African context. What I am sure you are comparing, and understandably so, is the FY 83 Continuing Resolution level and the next fiscal year's request. However, if you look at the request level from year to year you will see that the military assistance figures show a very slight increase and that the request for economic assistance shows a moderate but we believe adequate increase—especially in light of U.S. domestic budget constraints.

From FY 82 to FY 83 the requested military assistance actually decreased 10%, and from FY 83 to FY 84 the request level shows an increase of a mere 4%. Our economic request levels for this same period clearly show our concern for not only the economic plight in Africa, but also our awareness of the necessity for a proper balance between our military and economic assistance. For these same periods economic assistance requests have seen increases of 6% and 13%, respectively.

Another meaningful statistic, Mr. Chairman, is that in the worldwide context Africa in FY 84 accounts for only 12% of total U.S. bilateral assistance worldwide: 3% of the military and 14% of the economic totals. I hope you will agree with me that we are in fact stretching these modest resources a long way in Africa and in so doing are achieving some notable gains.

I understand also your concern with regard to the FY 83 supplemental request. When the appropriated assistance is less than the requested level, as in FY 83, Africa usually suffers disproportionate cuts. Given the fact that our requests for Africa were modest to begin with, even the smallest cut has significant and potentially disastrous consequences. Under the current CR we would be short $107 out of $219 million of our requested FMS/MAP, and $47 out of $313 million in the ESF amount. For that reason, passage of the supplemental is essential to the success of our African policy.

Let me thank you for the opportunity to appear before your subcommittee; I hope that we can remain in close touch on these issues. I sincerely hope that we will have your support when it comes to appropriating the resources required for Africa.

Sincerely,

CHESTER A. CROCKER

Document 530

Report by the House Foreign Affairs Committee, May 17, 1983 (Extract) [20]

Food and Population Problems in Africa

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The committee is deeply concerned about the lack of sufficient food for the growing populations of sub-Saharan Africa. While Africa's population has been increasing at an annual rate of 2.8 percent, food production has actually declined over the past decade by an estimated minus 1.2 percent annually on a per capita basis. The decrease in agricultural yields per capita has been exacerbated recently by severe drought, particularly in the southern Africa region and Ethiopia.

The committee welcomes the executive branch's provision of emergency food AID for drought victims in Ethiopia and urges a favorable response to the funding appeal of the U.N. Disaster Relief Organization (UNDRO). For the longer term solution to Africa's food crisis, it calls for redoubled efforts by the United States and other donors to help African countries raise their food production. Meanwhile Africa's food aid needs for deficit areas must be given full consideration in allocations under the Public Law 480 program.

With respect to U.S. bilateral population assistance to Africa, the committee believes that AID should expand its bilateral programs, and notes that ESF funds may be used for this developmental purpose in countries receiving ESF, in addition to whatever development assistance

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[20] Source: *International Security and Development Cooperation Act of 1983: Report of the Committee on Foreign Affairs, House of Representatives*, Ninety-eighth Congress, First Session, Report No. 98–192 (Washington, 1983), pp. 13–14.

funding is available. It also believes that more effective use can be made of development assistance money already allotted to population programs. AID has heavily forward-funded population programs in certain African countries, a practice unnecessarily tying up funds urgently needed elsewhere. Given the importance the committee places also on support for multilateral and nongovernmental programs, which are active in many African countries not receiving bilateral AID population assistance, AID should review its forward-funding policy to see if the money can be used more effectively to meet urgent needs of multilateral and nongovernmental programs. (The committee noted that under sec. 104(f) of the Foreign Assistance Act,[21] no AID funds, including funds made available to multilateral and nongovernmental population organizations, may be used to finance abortion as a method of family planning.)

In a 1982 appearance before the Subcommittee on Africa, AID made a commitment to assign at least six additional population officers in the region.[22] To date, only one additional population officer has been appointed. The committee requests that AID provide a status report by December 1, 1983, on its efforts to assign additional population officers in the African region.

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[21] For the text of section 104(f) of the Foreign Assistance Act of 1961, as amended, see P.L. 95–424, the International Development and Food Assistance Act of 1978, approved October 6, 1978, 92 Stat. 946; and section 302(b) of the International Security and Development Cooperation Act of 1981, P.L. 97–113, approved December 29, 1981, 95 Stat. 1532.

[22] Frank S. Ruddy, AID Assistant Administrator for Africa, told the Subcommittee on Africa of the House Foreign Affairs Committee on April 20, 1982, that "we are reviewing with our missions the possible assignment of additional [population] officers in fiscal year 1983 as follows: Nigeria . . . ." (*Foreign Assistance Legislation for Fiscal Year 1983: Hearings and Markup Before the Subcommittee on Africa of the Committee on Foreign Affairs, House of Representatives, Ninety-seventh Congress, Second Session* (Washington, 1982), Part 7, pp. 72–73)

Document 531

Joint Prepared Statement by the Deputy Assistant Secretaries of State for African Affairs (Robinson) and Economic and Business Affairs (Lamb) Before Three Subcommittees of the House Foreign Affairs and Small Business Committees, May 19, 1983 (Extracts)[23]

Building Trade With Africa

Mr. Chairman, the title of this hearing is "Building Trade with Africa." The subject implied by the committee's written questions is, however, clearly somewhat broader, involving aid, investment and other aspects of this Administration's policy of emphasizing the private sector in our relationship with Africa. We firmly believe that this broader perspective is correct, and that it would be a mistake to see our export trade relationship with Africa in isolation from other concerns. In the end, our exports to Africa will depend on the growth and development of the African economies. The question is how we can influence this process, and your interest, if we understand correctly, is focussed on the role of African and American entrepreneurs, large and small, in attaining mutual goals.

The subject under discussion is of great concern to us. Virtually every action we have taken in the last 3 years has emphasized the theme of encouraging the private sector as an agent of economic growth and development in Africa. We view such growth and development as a prerequisite for our broader goal of a just, prosperous and stable Africa—a goal which is first and foremost that of the Africans themselves. We have been at pains to emphasize that this policy is not one of "stuffing capitalism down the throats of reluctant socialists," that it is responsive to African aspirations, and that it encompasses small producers and entrepreneurs

[23] Source: *Building Trade With Africa: Joint Hearings Before the Subcommittees on International Economic Policy and Trade and on Africa of the Committee on Foreign Affairs and the Subcommittee on General Oversight and the Economy of the Committee on Small Business, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1984), pp. 10–12 and 16–21.

(including farmers), both in Africa and in the United States, as well as larger, sometimes multinational corporate traders and investors. Ours is a multiple agenda—encouraging small-scale African producers, helping build institutions and policies that will underpin large-scale African enterprise in the future, and supporting our own traders and investors in their efforts to venture into this often unfamiliar world.

One of the purposes of this hearing is to determine how the State Department and other agencies work together to implement this new policy. Briefly, State's role has three aspects, each rooted in our conviction that a stronger private sector relationship with our African partners will be politically and economically advantageous to both sides. First, the State Department in Washington encourages greater attention by our specialized economic agencies—Commerce, OPIC, EXIM, AID, and others—to the problems and opportunities of the world's least developed continent. Second, at our Embassies abroad, State Department commercial officers implement a number of programs and offer a host of services to visiting U.S. businessmen. Third, in cooperation with Commerce and other agencies, we have an active outreach program to acquaint American business here at home, most emphatically including small and minority business, with the challenge of trade and investment in Africa and the relevant U.S. Government support services. . . .

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In conclusion, we would like to say a little about the future, and what could be done better. It goes without saying that we have a long way to go. Viewed from the end of a world recession, and bearing in mind that recovery will come last to Africa, the distance sometimes seems infinite. In 1982, according to the latest Commerce Department figures, U.S. imports from sub-Saharan Africa fell by 15%, partly due to sharp decline in oil purchases from Nigeria, while our exports were off by almost seven percent, from $6.6 billion in 1981 to $5.4 billion in 1982.

These figures certainly do not mean that Africa is a hopeless case. They do illustrate something we already know—that commodity dependent LDCs have been particularly hard hit by world recession. They underline the urgency of African economies diversifying and developing a broader range of productive activities, beginning necessarily with the traditionally neglected agricultural sector. They also suggest that our approach to these deeply troubled economies should not, indeed cannot be "business as usual."

First, we can push through to completion the administration's current legislative agenda, including passage of a revised Foreign Corrupt Practices Act [24] to eliminate needless ambiguities in that law. We can press ahead with our agenda of bilateral investment treaties (BITs) to help regularize our private sector relationships in Africa and elsewhere. BIT negotiations are, among other things, a useful vehicle for engaging in dialogue with African governments on means of improving the local investment climate.

We must further refine our ongoing effort to encourage, largely through AID, the kinds of institutions and policies that will support, not stifle, the most productive elements in African society. I would note that AID is pursuing this effort on two tracks. In its agriculture, health and other programs, AID's Africa Bureau engages in constant dialogue with African governments to improve the policy, regulatory and legal framework, with the aim of stimulating indigenous private enterprise and increasing entrepreneurial and managerial skill. AID's programs are also designed to maximize the role of market forces as opposed to the practice (prevalent among many aid donors in the past) of relying exclusively on government bureaucracies and often creating new ones. Meanwhile, the new Private Enterprise Bureau (PRE), as you will no doubt hear in more detail from Elise Dupont, [25] is designing experimental projects in selected countries to develop financial institutions and intermediaries and to assist governments in privatizing state-owned enterprises. PRE is also developing a program of private sector advisory services which will be available to be drawn upon by indi-

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[24] Proposals for a revised Foreign Corrupt Practices Act died in House committees and on the Senate calendar during the 98th Congress, 1983–1984.

[25] For testimony by Elise R.W. Du Pont, Assistant Administrator for Private Enterprise, Agency for International Development, see *ibid.*, pp. 34–39.

vidual AID missions in Africa and around the world.

It was mentioned earlier that one of the Africa Bureau's functions is to stimulate, wherever possible, adequate allocation of resources to Africa by our specialized economic agencies. A recent study by the Battelle Corporation entitled "Obstacles to Private Sector Activities in Africa" [26] concludes that the State Department should accelerate and formalize this coordinating role. I would note that although the study was sponsored by the State Department, we certainly did not "precook" the results. We, nevertheless, find the conclusions interesting and will be studying it with some care.

One theme that pervades the Battelle Study—and that is echoed by practically anyone with business experience in Africa—is the concerted manner in which the Europeans and Japanese devote resources to their traders and investors. This support is sometimes in the form of subsidization (e.g., the use of mixed credits which, with limited exception in the case of agricultural commodities, are contrary to U.S. policy). Underlying this issue, however, is a totally different relationship between government and business and how they relate to Third World economic policies. Our allies see aid as serving multiple ends, including political objectives, export promotion and facilitation of investment as well as development. Indeed they see these goals as complementary, not conflicting. Their approach is epitomized by the Lomé convention, [27] which wraps aid, trade and technology transfer instruments into one contractual relationship between the European Community and its former colonies.

Our own approach is very different. U.S. business and government have traditionally operated independently, and U.S. Government economic agencies each pursue separate and usually distinct objectives. The American public and indeed the U.S. Congress often perceives aid as a kind of charity, not as a means of enhancing our own self interest. Political and/or commercial objectives are typically regarded as antithetical to the goal of development. In short, our policy does not integrate political, aid, trade and investment goals.

The administration's Caribbean Basin Initiative (CBI) [28] represents a modest step away from our traditional approach, toward the European model. Perhaps we should consider whether the poorest countries, many of which are in Africa, do not also deserve a measure of special treatment. It could take many forms, not necessarily similar to the CBI. But there is no question that we need to give serious thought to this issue—how to make our policy fit the special conditions of Africa and serve our own broadening political and economic objectives.

From our perspective it seems obvious that there is indeed a relationship between our various goals. Surely political stability in Africa is a sine qua non for economic stability. Development in the agricultural sector will create new opportunities for U.S. trade and investment, especially in the field of agribusiness where the United States leads the world. Seen from this point of view, our aid, if it successfully stimulates a better investment climate, is anything but charity, and our commercial concerns can hardly be divorced from our interest in African development.

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[26] For text of the study, see *ibid.*, pp. 191–315.

[27] For text of the Second Convention of Lomé, signed by the then 9 members of the European Economic Community, signatories for the Council of the European Communities, and 58 African, Caribbean, and Pacific states at Lomé, Togo, October 31, 1979, entered partly into effect, March 1, 1980, and fully into force on January 1, 1981, see *Official Journal of the European Communities*, December 22, 1980, No. L 347/2–347/72; for the Protocols and Final Act, see *ibid.*, No. L 347/73–347/ 219.

[28] President Reagan announced the Caribbean Basin Initiative for special assistance to countries in the Caribbean region in an address before the Permanent Council of the Organization of American States, February 24, 1982; for text of this addresss see *American Foreign Policy: Current Documents, 1982*, p. 1381.

Document 532

Message From President Reagan to the Chairman of the Organization of African Unity (Moi), May 25, 1983 [29]

20th Anniversary of the OAU

On the occasion of the Twentieth Anniversary of the Organization of African Unity, it is both a pleasure and an honor for me to express the congratulations and good wishes of the people of the United States to you as Chairman of the OAU and to the member nations of the organization. The United States shares with the OAU its objectives of "freedom, equality, justice, and dignity for all African peoples."

We also support the fundamental principles of the OAU, embodied in Article III of your charter: [30] sovereign equality of all member states; non-interference in the internal affairs of states; territorial integrity; peaceful settlement of disputes; condemnation of political assassination and subversion; dedication to the total emancipation of still dependent African territories; and genuine nonalignment. We believe the OAU has made a positive contribution to stability and progress in Africa over the past 20 years, and that it has the potential for even greater accomplishments in the years to come.

The United States remains supportive of African efforts to seek a cessation of conflict and violence, as well as efforts aimed at meaningful economic progress. And we firmly agree that African problems can best be solved by African solutions. We applaud when your Organization moves forward to meet serious challenges on the African Continent, as was demonstrated by the OAU's peacekeeping force in Chad.

The OAU has experienced a difficult 20th year, perhaps the most difficult year in its history. We are confident, however, as most OAU member states must be, that the Organization can and will continue to provide the unique forum for continental cooperation. We wish the OAU well on this important day marking the Organization's first two decades, and we wish it well in all the years ahead.

Document 533

Remarks by the Secretary of State (Shultz), May 25, 1983 [31]

Support for OAU Fundamental Principles

This is an important event, the 20th anniversary of the Organization of African Unity. And I am very pleased, enthusiastic for the opportunity to be here on this occasion.

As President Reagan made clear in his message to your chairman, President arap Moi of Kenya, [32] the United States knows well the positive contribution that the OAU has made to stability and progress in Africa over the past 20 years and the potential it has for even greater accomplishments in the years to come. It is clear to us that the fundamental principles of the OAU deserve the support, not only of the members of the OAU, but of all peaceloving nations. They certainly have our support.

Not long after I became Secretary, I met with many of your foreign ministers and permanent representatives in New York at a special OAU luncheon. Africa's prominence in the international community was much on my mind then, and has remained so ever since.

The administration attaches great importance to our relations with Africa. Namibian independence under internationally acceptable terms constitutes one of our principal foreign policy objectives. And, I might say, Assistant Secretary of State for African Affairs Chester Crocker, here, has

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[29] Source: *Weekly Compilation of Presidential Documents*, May 30, 1983, pp. 774–775.

[30] For text of the Charter of the Organization of African Unity, signed at Addis Ababa, May 25, 1963, entered into force, September 13, 1963, see *American Foreign Policy: Current Documents, 1963*, pp. 631–637.

[31] Source: Department of State Press Release 194, May 25, 1983; also printed in Department of State *Bulletin*, August 1983, p. 16. The remarks were made at a reception in the Embassy of Kenya in Washington.

[32] *Supra.*

been working his heart out on that as have many others of us in the Department, and the President has spent a great deal of time and effort and energy on this. And, as I plan to say to several of your colleagues in New York this week,[33] we remain fully committed to the work of the Contact Group and are hopeful that its negotiations, and those in which we are engaged on related regional issues of peace, will prove successful.

And I might say in connection with southern Africa and in connection with the apartheid system, I would say unambiguously, unequivocally, with no qualifications whatever, that the system of apartheid is unjust and unacceptable.

The OAU has a noble tradition of promoting the peaceful resolution of conflict on the continent. The United States seeks the same objective, whether in southern Africa, the Western Sahara, or the Horn. We are particularly pleased to be able to work together in making a modest contribution to the deployment of the OAU's first peacekeeping force last year. Strengthened regional security is a cardinal objective of U.S. policy in Africa. It has been a cornerstone of the OAU's role and objectives for 20 years. This simple fact explains why we attach importance to the health and vitality of Africa's regional organization.

We are all aware of the terrible economic crisis much of Africa is encountering. We know too that these provoke political turmoil both as their effects are felt and as your governments take the corrective measures required to restructure your economies on a sounder footing. We are working hard to restore the conditions of sound growth in the world economy. And I am sure that this will be a matter of central attention at the Williamsburg Summit. Hard decisions and strong leadership are required in this effort. We admire the courage many African leaders are displaying in making difficult decisions to restore their economies, and I can assure you that the U.S. Government will continue to support those governments which come to grips with their economic problems realistically.

And I might say, tomorrow in New York I plan to make a talk on the subject of economic development and the U.S. stake in the development of the developing economies of the world.[34]

It has been the President's pleasure to receive more than a dozen African chiefs of state in Washington, and we look forward to the state visit next month of one of the continent's most distinguished statesmen, President Houphouet-Boigny of the Ivory Coast.[35] Vice President Bush and other Cabinet members have visited your continent, and I hope to have the opportunity to do so myself. I have visited, but not as Secretary of State—it doesn't count when you visited there as a private citizen, I discovered that. But you learn more that way often times, you know. You get around among people and you find out what's on their minds.

There are enormous problems facing Africa today. I do not need to tell you of the suffering, poverty, denials of basic human rights, refugee flows, armed conflicts, and economic woes facing your region. I do want you to know that we respect the substantial strides made in many countries and the constructive role played by the OAU itself in building a climate for peace and development. The United States cannot solve Africa's problems, nor would Africans want us to. But we can and are determined to support a regional organization whose goals and founding principles are fully consistent with our national interests.

Ladies and gentlemen, please lift your glasses and join me in this toast to the past successes and to the future accomplishments of your celebrated institution, the Organization of African Unity.

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[33] See document 547.

[34] Reference is to the address by Secretary Shultz before the Foreign Policy Association in New York, May 26, 1983; for text, see Department of State *Bulletin*, July 1983, pp. 57–61.

[35] See documents 595 and 596.

Document 534

Address by President Reagan Before the 65th Annual Convention of the American Legion, Seattle, August 23, 1983 (Extract) [36]

The Role of the United States in Africa

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In Africa, we're engaged in a parallel commitment—economic development, the growth of democracies and the peaceful resolution of conflict. And here, too, our emphasis is on developmental and economic assistance. We maintain only a handful of military advisers on the whole African Continent. Our economic aid is four times larger than what we spend on security assistance. Contrast this with what the Soviet Union is doing. The record shows that since the Soviets began their aid program to Africa in 1954, military aid has outpaced all other Soviet aid by 7 to 1. Then add more than 40,000 Soviet and surrogate military personnel stationed in Africa, and it's no wonder that Africa is rife with conflict and tension.

For our part, we're actively working to defuse the tensions and conflict in Namibia and Angola while we help fight poverty in the region. In Chad, the United States is a partner in a multinational economic assistance package designed to get this tragically poor and strife-torn country on its feet. But without protection from external aggression, there can be no economic progress.

And naked, external aggression is what is taking place in Chad today. Drawing upon the nearly $10 billion worth of Soviet military equipment and munitions now in Libya, Colonel Qadhaffi has been using Soviet-built fighter bombers, T-55 tanks and artillery in a blatant attempt to destroy a legitimate government. President Habre and the people of his country are truly beleaguered as they struggle to preserve their independence. It is in this context that we have joined a number of other countries in providing emergency security assistance to Chad.

Yes, in Africa there is real reason for concern. But there are also harbingers of hope. Less than 2 weeks ago, I had the pleasure of meeting with President Diouf of Senegal. [37] He's a great man doing a great job. His outstanding leadership has brought Senegal fully into the community of truly democratic states. And a similar democratic success story has just taken place in Nigeria, Africa's most populous nation, where free Presidential elections were successfully completed last week. [38]

That's right, there's a democratic revolution going on in this world. It may not grab the headlines, but it's there, and it's growing. The tide of history is with the forces of freedom—and so are we.

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Document 535

Remarks by the Secretary of State (Shultz) at a Luncheon for the Organization of African Unity, New York, October 7, 1983 [39]

U.S. Policy Toward Africa Is Based on Respect for the OAU Charter

Your Excellencies, fellow ministers, ladies and gentlemen, I am honored and genuinely pleased that, at a time of many competing demands on your energies and calendars, you are able to accept our invitation for this luncheon. I welcome you in a spirit of friendship and fellowship.

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[36] Source: White House Press Release, August 23, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, August 29, 1983, pp. 1163–1164. For full text, see *ibid.*, pp. 1159–1164. President Reagan spoke at noon in the Seattle Center Mercer Forum Arena.

[37] See documents 599 and 600.

[38] Reference is to Nigerian President Shehu Shagari's reelection, announced August 10, 1983, for a second 4-year term. The elections were held on August 6, 1983.

[39] Source: Department of State Press Release 368, October 14, 1983. Secretary Shultz spoke at 3:05 p.m. in the U.N. Plaza Hotel.

This luncheon today has become an annual event with its own tradition. We are proud to host the representatives of the member states of the Organization of African Unity. The role of regional organizations, such as the OAU, can be vital to the security and progress of member states. I know that from our own experience in our own regional body.

Earlier this year, the OAU celebrated its 20th anniversary. I recall joining the festivities personally at the Kenyan Embassy in Washington.[40] We were pleased at the successful holding of the 19th summit in Addis Ababa.[41] Your Organization's health is important to Africa and to all those who wish Africa well, including the United States. We seek a constructive dialogue and cooperation both with the Organization—and Chet Crocker has briefed me on his in-depth review with OAU Interim Secretary General Peter Onu a few days ago—and with individual member states.

We wholeheartedly endorse the principles and goals embodied in the OAU Charter. It is a document which is an inspiration to us all. U.S. policy, whether in Chad, the Western Sahara, the Horn of Africa, or southern Africa, is based upon respect and support for the Charter. Africa would be a far healthier, more prosperous, and more stable continent if its core principles, including respect for the sovereignty, boundaries, and territorial integrity of member states, were universally respected.

Distinguished guests, I am not here to give a speech, but, rather, I would like briefly to make three points about the U.S. approach to Africa.

First, we recognize that Africa faces an economic crisis, one that jeopardizes the continent's overall stability. As in other fields, the responsibility for turning around this situation is first and foremost an African one. But we are committed to a constructive American response; through expanded bilateral assistance, and our programs have grown significantly despite our own budget woes over the past 3 years; through continued U.S. support for the international financial institutions,—and President Reagan is committed on this—our substantial aid to victims of drought, and our counsel and our active promotion of the role of market forces in the development of Africa.

Second: We have, and we will, back regional African solutions to the political and security problems that trouble your continent. African initiatives, based on the Charter, receive U.S. support and cooperation. Where U.S. initiatives and leadership are appropriate and welcome, as in southern Africa, we will play our proper role. Let me reaffirm here our determination to persevere in the effort to bring Namibia to its rightful independence and work for enhanced regional security throughout southern Africa.

Third, we are a multiracial, democratic nation, and proud of it. In the 1980's, as in previous decades, we Americans, whatever our imperfections, believe the founding principles of our society have broader relevance. We do not appreciate, as you may have noted, verbal abuse and distortion of our principles and policies. Nor do we condone systems that violate them. Africans can be proud of the democratic success stories that do exist in such places as Botswana, Senegal, Nigeria, and elsewhere.

There is, as President Reagan said recently, a democratic revolution quietly at work in Africa.[42] That process will occur in other countries, including South Africa whose racially based system is unacceptable to Americans. We say so privately and publicly. More important, we back words with tangible programs of support for black advancement in that country.

Let me conclude with a personal observation. I am often told that there is a great reservoir of good will toward the United States in Africa. I believe it. I also submit that the time has come for us to speak plainly as friends and colleagues in a common effort to build a closer U.S.-African partnership. I sense that our mutual comprehension is improving, because more of it and more of you recognize that diplomacy and politics are a two-way street.

When you see me reach for the glass, you know I really am at the end. (Laughter)

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[40] See document 533.

[41] The summit was held from June 8 to 12, 1983.

[42] *Supra.*

So let me now propose a toast. (Glasses raised) To the OAU in this 20th anniversary year, and the strengthening of American-African relations in our mutual interest. (Applause)

Document 536

Address by the Assistant Secretary of State for African Affairs (Crocker) Before the Fourth Annual Conference on International Affairs, Lawrence, Kansas, November 10, 1983 [43]

The Reagan Administration's Africa Policy: A Progress Report

Thank you for inviting me here this evening. It has been almost 3 years since President Reagan assumed office. I thought it would be timely at this Conference, which is examining U.S.-African relations over the past quarter century, to take the opportunity to review the administration's Africa policy and achievements. We have not yet taken our final exam but we have certainly made important strides toward the realization of the goals we set ourselves at the outset of the administration.

We set out to:

—Forge a new and mature partnership with Africa

—Support those nations which resist external aggression and destabilization

—Help meet Africa's humanitarian needs

—Help Africa with its development needs

—Support democratic institutions

—Work for Namibian independence on the basis of United Nations Resolution 435 [44]

—Support regional security and peacemaking in southern Africa

—Encourage positive, peaceful change inside South Africa.

In approaching these challenges, we have consistently and without apology pursued U.S. interests. But our actions are carefully tailored to African realities and African concerns.

We believe as Vice President Bush said in Africa a year ago, that Africans have the capacity and will to control their own destiny. We have worked to forge a new and mature partnership with the nations and peoples of Africa. That partnership is based on mutual respect. It includes frank and honest discussions of the issues. Such partnership is a two-way street which rests on shared goals, common principles, and mutual interests. For, as we have deepened the dialogue with Africa, each of us—Africans and Americans—have come to recognize that there is much more that pulls us together than separates us.

Africa's leadership has changed remarkably in outlook in the two-and-a-half decades since independence, when anticolonialist clichés and rhetoric too often substituted for serious policy and decision making. We in this country have come to a greater appreciation of the obstacles to the continent's development and the dilemmas facing its leaders. Realism and pragmatism increasingly shape attitudes and decisions on both sides of the Atlantic.

The channels for communicating with Africa's leaders have been widened and are being utilized. The result is an atmosphere which permits useful discussion of those issues on which the United States and Africa must focus: security, economic development, tensions and change in southern Africa, humanitarian crises, and the strengthening of democratic institutions.

President Reagan has met with 17 heads of state and government during his first 3 years in office. Vice President Bush made

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[43] Source: Department of State files; also printed in Department of State *Bulletin*, January 1984, pp. 38–44. The Conference on U.S.-Africa Relations since 1960 was jointly presented by the University of Kansas and Senator Nancy L. Kassebaum.

[44] For text of U.N. Security Council Resolution 435(1978), see *American Foreign Policy: Basic Documents, 1977–1980*, p. 1205.

a seven-nation tour of Africa last November.[45] We are talking with African leaders across the full spectrum of African politics and ideology. Ours is an unprecedented activist diplomacy in Africa aimed at addressing conflicts, strengthening genuine nonalignment, working for creative approaches to Africa's economic crisis, and creating options for peaceful change. The President has met with leaders of nations which are moving to reopen doors to the West after years of close but disappointing relations with the Soviet Union and the Eastern bloc. He has also made clear our firm support for traditional friends who look to the West as a source of security, economic support, and human inspiration.

We place great importance on the strengthening of Africa's security and on our role as a reliable partner in this effort. Both the United States and Africa seek the opportunity to get on with the business of development and nation building. Without security, these objectives cannot be achieved. This fact is an essential element in our support for the Organization of African Unity (OAU), whose Charter and foreign policy principles we endorse. The OAU is dedicated to the peaceful settlement of disputes, the protection of African states' territorial integrity, and the defense of the continent against external aggression and subversion.

In considering the security problems facing Africa today, we must recognize the interaction of political, economic, and security factors that make up the African security equation. Africa is a full participant in the global system. It is directly influenced by and also helps determine the ebb and flow of competitive global politics. For either the United States or Africa to pretend otherwise is foolish and very shortsighted.

This does not mean that the United States sees Africa exclusively as a theater for East-West conflict or competition. Quite the contrary.

We have no mandate (either at home or in Africa) to be the policeman of Africa, nor would we wish to be. But just as certainly our political, economic and security interests in Africa are not served by political or economic instability. Nor—do we believe—are Africa's own interests. Such conditions inhibit the development of modern African economic and political institutions which can interact with our own to mutual advantage. Our strategic goal in Africa is to limit and thwart the application of outside force in African conflicts and thereby to permit Africans to shape their own futures. The purpose of our diplomatic and security policies is to discourage nations from resorting to military solutions to problems and to strengthen Africa's ability to resist adventurism and destabilization.

Instability, caused by local economic and political weakness and often deep rooted regional conflict, is often exploited by outside powers unfriendly to the United States. When this takes place, the United States—and the West—is confronted with a new dimension, a global dimension with potential effects on the global balance. Neither African states nor Western nations gain when an outside power or a regional state aligned to one seeks to gain advantage by resorting to military force on the continent. If we in the West fail to react, the climate necessary to achieve African security and development is eroded. We cannot be a credible power if we ignore friendly states which turn to us for help when threatened.

Our resolve was dramatically demonstrated in our response to Libyan aggression in Chad. In 1980, 7,000 Libyan troops intervened in the Chadian civil war. That action quickly became a major cause of regional instability, posing a direct threat to Sudan and creating unease among Chad's other neighbors. When the following year, the Chadian Government called on Libya to remove its military force, the OAU deployed a peacekeeping force (the first ever in the Organization's history) to Chad to maintain order after the Libyans left.

We moved immediately to support this initiative on the part of the OAU by allocating $12 million to support the OAU peacekeeping force with transport and equipment. By June 1982, then Chadian President Goukouni, who had refused reconciliation efforts proposed by the OAU, was forced out of Chad and replaced by his principal rival, Hissene Habre. The OAU withdrew its troops.

Then last July, Libya's Qadhafi invaded Chad in support of a rebel force led by the former president. In response to this

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[45] For information on Vice President Bush's trip to Africa in November 1982, see *ibid., 1982*, pp. 1161, 1162, 1206, 1232–1235, 1239, 1246–1247, 1263, 1264.

blatant act of aggression, the President made available up to $25 million in military assistance to the internationally recognized government of Habre, and after consultations with France, we deployed AWACS aircraft to the area.[46] France sent over 2,000 troops to Chad which halted the Libyan advance southward; the northern half of the country remains occupied by Libyan forces. Our efforts now, together with the OAU and France, are aimed at bringing about the withdrawal of all foreign troops from Chad so that the internationally recognized government can get on with the urgent tasks of economic development and political reconciliation.

The administration has also, in a few selective and important cases, increased our security assistance to friendly African countries. Almost all of these increases have been to Sudan, Kenya, and Somalia—countries which play a key part in United States strategic interests in the Indian Ocean.

Sudan and Somalia face significant Soviet-backed military and subversive threats directed against them from across national borders. Nevertheless, our security assistance has been measured and moderate, focussed on internal mobility, border security, air defense, and communications. It does not begin, nor does it seek to match the enormous and irresponsible export of billions of dollars of Soviet arms into Libya and Ethiopia alone.

Moreover, we have made clear our readiness to assist in any way we can in the resolution of longstanding tensions in the region, especially in the Horn of Africa, which have been the cause of so much war and suffering in the past.

Africa's poverty is marked, and exacerbated, by constant threat to human life on a wide scale. It is not just one drought, or one emergency refugee situation. Drought is endemic in Africa, striking first one region, then another. In some countries, like Mauritania, drought conditions have persisted so intensely over the last 7 or 8 years that whole segments of the population have been driven from their ancestral homes and way of life, perhaps never to return again.

Food: In this situation, the U.S. role as a supplier of food and other agricultural assistance becomes more than an occasional humanitarian act. The United States is a major source of long-term and emergency food to Africa. We have an unparalleled record of assistance in addressing this problem. We have not shrunk from this call, regardless of the political ideology of governments whose people are hungry and threatened.

In fiscal year 1983, the United States provided $250 million of food to sub-Saharan Africa, of which over $40 million was in emergency food aid. Recipients have included Mauritania, Ethiopia, Mozambique, Djibouti, Ghana, Upper Volta, and other countries.

In just over a month of this fiscal year, we have already committed $11 million and the United States is likely to increase our fiscal year 1984 emergency food assistance level for Africa to well over $50 million. In addition, regular food assistance under PL–480 will be maintained at substantial levels in 1984.

The long-term problems of food production and availability are also being urgently addressed. For the past two decades, per capita agricultural production has declined in Africa—the only region of the world where that is true.

For that reason our foreign aid programs in Africa have concentrated on means to increase the continent's food production. In addition, we have used our own country's abundant agricultural production to help encourage reforms and policies to increase Africa's own food production.

Refugees: As with drought and hunger, refugees are a part of the African scene and a problem of both immediate and long-term concern. Wars, famine, and internal strife have produced throughout Africa hundreds of thousands of refugees and displaced persons. Some of the largest pockets of refugees, in Sudan and Somalia, have been in this condition for many years and there is no early prospect for resolving their plight. In Angola, torn by internal and internationalized strife, thousands are constantly periled by lack of food and shelter.

African nations have an extraordinary record of accepting refugees into their countries and providing long-term shelter. But the strain on already poor economies is enormous.

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[46] For further information, see documents 595 and 599.

The United States has been consistently sensitive and responsive to this problem. In 1981, we faced a dire situation in which many thousands of African refugees were in constant danger of starvation and exposure. At a conference that year jointly sponsored by the United Nations and the Organization of African Unity, the United States, represented by Ambassador Jeane Kirkpatrick, stepped out front in pledging $285 million for refugee programs.[47] Since then, working closely with the U. N. High Commission for Refugees and private voluntary organizations, we have succeeded in improving the management of relief efforts to the point where most refugees are out of immediate danger and we can concentrate on contingency planning and lasting solutions.

We have supported repatriation as the best solution where that is possible. There have been successful programs of that sort in Equatorial Guinea and Zimbabwe. We are particularly proud of a program now underway to repatriate Ethiopians from Djibouti, which was worked out despite many difficulties. Another significant approach has been our $1.5 million training and education program for southern African refugees aimed at making them self-sufficient and alleviating the burden they represent to host countries.

We are constantly concerned to see that funding for continuing these efforts will be adequate. Traditionally we have contributed about one-third of the U.N. refugee budget for Africa and we intend to continue to pull our weight, while pressing other donors to pull theirs.

Similarly, we have contributed the largest single share of the International Committee of the Red Cross' Africa program to help those displaced by war or famine within their own countries. Angola, Ethiopia, Somalia, Sudan, Uganda, and a number of other countries benefit from this humanitarian effort and the ICRC's presence on the ground.

Per capita food production in Africa has been declining slowly but steadily for the last two decades. Population is growing more rapidly in Africa than in any other continent. Two-thirds of the countries officially designated by the United Nations as being "least-developed" are in Africa. And in the last year or so, a massive drought of unprecedented proportions has turned despair into tragedy in many parts of Africa.

We have been in the forefront of the international response to Africa's immediate needs, and to its longer-term problems. We have consciously directed our economic assistance programs almost exclusively toward increasing food production and toward other areas of activity which support that goal, such as health programs, skills training, research of seed varieties and farming techniques, and support of agricultural extension services. We are working closely with other donors, with particularly satisfying results in the Sahel countries and southern Africa, and some other areas. We have joined the African Development Bank, having long supported its affiliate the African Development Fund.

We have been in the lead in encouraging the World Bank to devote a greater proportion of its "IDA" soft-loan resources to Africa, with gratifying success. We have reduced the loan component of our own assistance programs to an insignificant proportion of the total, realizing that most African countries today are in no position to accept additional future debt obligations. And, as I have mentioned, we are providing food assistance in substantial quantities.

In each of these endeavors, we have worked closely with the Congress, and I would like to digress long enough to acknowledge here the strong support and encouragement, and invariably wise and helpful counsel, always experienced in dealing with Nancy Kassebaum. She is one of our very best friends in Washington.

Let me speak for a moment about money, just to give you some idea of the magnitude of our involvement in, and commitment to, Africa in the 1980's. U.S. direct bilateral economic assistance to Africa last year totaled over $800 million. For the fiscal year just begun—FY 1984—we have requested a level in excess of $900 million. Despite the intense, and correct, pressures in Washington to hold budgets down, I am pleased to report that the FY 1984 level would represent an increase of over 20 percent since this administration took office.

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[47] For the pledge by the Representative to the United Nations, Jeane Kirkpatrick, to the International Conference on Assistance to Refugees in Africa, held in Geneva, April 9, 1981, see *American Foreign Policy: Current Documents, 1981*, pp. 1073–1075.

I take no honor in busting the budget, but I am proud that this administration has seen fit to address Africa's urgent and profound economic problems head-on.

I should tell you parenthetically that we are also providing military assistance and training to a number of friendly African countries, and that last year the dollar value of military assistance was less than one-sixth the dollar value of our economic assistance. In fact, we rank somewhere around fifth as a supplier of military assistance to Africa, far behind the Soviets and some of their surrogates, and even behind allies such as France. If you take into account the assistance we are providing through such intermediaries as the World Bank, the African Development Bank and Fund, and the FAO and its World Food Program—all that assistance being economic—the balance is even more heavily skewed, and the total of our economic assistance far surpasses the billion dollar mark.

In the post-independence period, as they began the process of nation building, many African governments experimented with various forms of state socialism. They instituted central planning, created state corporations to control key economic sectors, instituted costly subsidy programs, and along the way incurred incredible, unsustainable debt burdens. With the world economic downturn from which the West, thankfully, is now beginning to emerge, many African countries have been faced with the harsh reality of what we would call in the private sector impending bankruptcy. They have become increasingly dependent on Western donors and the international financial system. They have turned to the International Monetary Fund for support. They have turned to the World Bank for assistance with structural adjustment.

As I have indicated, the United States has been responsive, and will continue to be. But, along with the Bank and the Fund, we have encouraged the African governments to reexamine their own economic systems and priorities. Many of them now realize the errors of past ways, and the awful price that past practices have imposed. There is across the continent a new awareness of the importance of putting limits on government's role in the economy, a new commitment to the private sector and the free market (indigenous and foreign), and a new striving for sound economic management.

This process of transition, of policy reform, is bound to be slow and halting, for the fundamental changes implicit in the process are bound to be destabilizing. Significant increases in the prices of basic foodstuffs; divestiture of state enterprises which have traditionally employed far more people than they need; dramatic alteration in a currency exchange rate—this is the stuff of which riots and revolutions are made. Stripped to its essentials, economic policy reform is a complex political process affecting bread and butter interests of different constituencies within African societies at every point of decision.

Yet, there is a growing awareness that steps such as these are necessary, that without them African countries cannot hope for the foreseeable future to find themselves even in a situation of tolerable equilibrium let alone on a path to economic growth. We are working with many African governments, international financial institutions and other donors right now to analyze such problems, and to advise and assist them in such directions. This work, in the long term, will be even more important to Africa than the millions and billions of dollars we commit through our economic assistance programs, even more important than the hunger we might help to stave off, the diseases we might help to eradicate, the dams we might help to design, the schools we might help to build, the skills we might help to transfer. The response of the Africans themselves—their willingness to take very hard decisions with severe short-term risks—has been heartening.

Let me say a few further words about the private sector thrust of this administration. What we are really talking about is encouraging the release of the productive economic forces potentially available—domestically and externally—for the goal of development. It is a long-term proposition with many aspects.

Let me give some examples: David Rockefeller headed a high-level banking and investment team that visited Africa last year. The team found governments anxious to secure foreign private investment and officials who are willing to make reforms to encourage private investment.

Guinea, with its abundant natural resources, is one example. President Sekou Touré visited the United States last fall to attend and lead an ambitious trade and investment seminar sponsored by Chase

Manhattan. The Guinean Government has since set up a special office to help prospective investors cut through red tape.

There are other examples. Cabinet level trade missions have visited Africa.[48] We have held trade and investment seminars throughout major regional centers in the United States to encourage American business to look at opportunities in Africa. And, we have supported private American organizations such as the U.S.-Nigerian Joint Agricultural Consultative Committee (JACC) seeking to expand trade and investment.

More recently we have established an informal interagency working group in the executive branch to coordinate and strengthen U.S. development and promotional activities in the fields of trade and investment. While just beginning, we can play a useful role in those African countries which are capable and willing to work with us. Ultimately, private trade and investment flows into Africa are a function of the political and economic climate that exists in various countries, particularly the investment climate.

Only Africans themselves can make their economies attractive to foreign businessmen. Similarly, only African leaders can unleash the enormous creative potential of African artisans, entrepeneurs, farmers, and risk-takers. Our role is to develop, explore and discuss road maps, to build bridges, share concepts and information, and help build the networks of people, data, and institutions that will be needed.

The administration has given support to the strengthening of democratic institutions in Africa. The President's Conference on Free Elections held in Washington last year is stirring evidence to this commitment.[49] One of the best received contributions to that conference attended by delegates from around the world was made by the representative of Nigeria, a nation which enjoyed impressive multiparty democratic elections this year at all levels of its federal structure, one modelled in certain respects on our own. We have applauded the democratic elections which have taken place during the last year in Nigeria, Senegal, and Mauritius.[50] We have provided funding to help the Liberian authorities manage the transition to elected government in 1985, the first time Liberia will have experienced an open democratic process in its long history.

We cannot help but believe that democratic elections are both a manifestation of and stimulant to health, wealth, and wisdom in government. As President Reagan said a few months ago in a major foreign policy address, there is a quiet revolution at work in Africa today. That revolution is a signal of hope and self-confidence to a region buffeted by economic crisis and instability.

Let me conclude my comments this evening with a discussion of southern Africa. At the outset, I want to make absolutely clear the depth of this administration's commitment to peaceful change in southern Africa. We have engaged our prestige and our energies in defining a regional strategy and in using our influence and resources to implement it.

The southern Africa region holds great potential. It is strategically important because of its vast mineral wealth and its geographic location astride the sealanes which carry the oil of the Persian Gulf to Western nations. It is also an area of tension, unfulfilled political and economic aspirations and, unfortunately, the potential for growing violence with incalculable consequences for Western interests, African interests and East–West relations.

We ignore southern Africa and the positive and negative aspects of its potential at the risk of both Western interests and our most deeply held principles. President Reagan concluded early in his first year that Southern Africa matters. Only the enemies of the United States and Africa can benefit from a rising tide of violence and instability. Such conditions offer them an opportunity to expand their influence at the expense of political and economic development.

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[48] Reference, for example, is to the trade mission which visited West Africa from January 9 through 18, 1982. For further information, see *American Foreign Policy: Current Documents, 1982*, p. 1241.

[49] The President's Conference on Free Elections was held in Washington, November 4–6, 1982. For further information, see *ibid.*, p. 379.

[50] Reference is to the elections held in Mauritius on June 11, 1982, won by Aneerood Jugnauth who became Prime Minister; the elections in Senegal held on February 27, 1983, which President Diouf won; and the elections held in Nigeria on August 6, 1983, which President Shagari won on August 10, 1983.

The goals of our policy are simply stated.

—Independence for Namibia based on United Nations Resolution 435.

—A framework of enhanced security including a practical basis of coexistence between all states in the region.

—The emergence of a regional climate in which foreign forces go home, boundaries of sovereign states are respected, and governments and people can dedicate themselves to the priority of development and nation building.

—Continued and accelerated movement in the on-going process of essential change in South Africa away from an approach to government based on the laws and principles of racial separation, an approach repugnant to us as Americans and serving, as long as it prevails, as an absolute barrier to normal relations between the United States and South Africa.

This administration—unlike some prior ones—has a strategy for achieving its goals in southern Africa, a strategy we call constructive engagement. There are no doubt some here tonight whose impression of that approach is influenced by the prevalence of misunderstandings, willful or unintentional distortions, and just plain rubbish that is current on this controversial policy arena. What I want to do for the remainder of my time this evening is explain constructive engagement in terms of progress toward the achievement of our goals.

Namibia: Namibia is, in effect, Africa's last colony and a focus of strife, violence, external involvement and political polarization. A series of U.S. administrations have engaged themselves in helping bring about Namibia's independence. This administration early on determined to try to bring about conditions which would make it politically possible for South Africa to relinquish control of this territory.

Together with our allies in the Contact Group—Canada, Germany, France, and the United Kingdom—we have built on earlier efforts of previous administrations (starting with that of President Ford) to bring about Namibian independence. We have based our effort on U.N. Security Council Resolution 435, adopted in 1978 and substantially strengthened since that time by subsequent understandings and agreements. We have helped shape principles which will guide the drafters of an independent Namibia's constitution. We have found solutions to a series of issues related to the role of the United Nations in the transition process leading to independence.

In fact, through intensive efforts with our allies in the Contact Group, Africa's frontline states, SWAPO (South West Africa People's Organization), South Africa, internal Namibian parties, and the United Nations we now have in place virtually all the elements for the implementation of Resolution 435 and the transition to Namibian independence.

It has taken longer than we hoped to achieve this much, but Namibian independence today depends only on some key political decisions of governments in the region turning on one issue. The U.N. Secretary-General defined the remaining hurdle. He visited southern Africa earlier this fall and met with all the parties with interests in this issue. His report confirmed that South Africa has agreed to the terms of Resolution 435.[51] But he also learned and made clear in his report that the South African Government is not prepared to withdraw from Namibia and begin the implementation of Resolution 435 in the absence of a commitment from the Angolan Government on the withdrawal of Cuban forces from that strife torn land.

The South African Government's position on this issue reflects its assessment of prospects for its own future security in the region.

Angola: Consequently, we are also fully engaged in a separate but parallel series of talks with the Angolan Government, which, if successful, will result in an agreement on the Cuban troop issue. This would open the way to South Africa's implementation of the international agreements we have reached for Namibia's transition to independence.

Cuban withdrawal from Angola and South African withdrawal from Angola and Namibia would open the way for Angolans to build a brighter future, pursue their substantial development potential,

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[51] Reference is to U.N. Secretary-General Pérez de Cuéllar's visit to southern Africa, August 20–24, 1983, and his report on the trip on August 29. For further information, see document 554.

and end the long night of strife that land has experienced since its independence exactly 8 years ago.

Regional Security: The United States is actively engaged in efforts to reduce and contain cross-border violence in southern Africa, whether that violence comes in the form of terrorist bombs shattering glass and ending lives in South Africa or South African military raids into neighboring states. We are seeking to support those realistic leaders in the region who recognize the need for a framework of peace based on dialogue and understandings between South Africa and its neighbors. We have used our good offices, your communications channels and our influence to encourage a process which can only be conducted by those who live there. There can be no imposed peace in southern Africa. The reduction and control of violence depends on many things including a readiness to coexist despite fundamental political and ideological rifts; sufficient regional confidence to resist the temptation to import violent means and invite foreign interventionists; and demonstrated progress on the agenda of constructive, negotiated change so that the siren song of violence is indeed resisted.

As Under Secretary Eagleburger told the National Conference of Editorial Writers last June, "There can be no double standards for either South Africa or its neighbors. The obligations of statehood . . . are . . . reciprocal." The Under Secretary continued to say, "The United States categorically reaffirms the principle that all states have a duty to refrain from tolerating . . . organized activities within their territory by guerrillas or dissidents planning acts of violence in the territory of another state." [52] This applies to all states in the region.

We, ourselves, have taken steps to enhance our ability to play a constructive, catalytic role. We have moved to rebuild our relations with Mozambique on a basis of full reciprocity while responding to that nation's desperate economic situation with food aid. We have quietly encouraged bilateral talks between Mozambique and South Africa and have found a commitment on the part of both sides to continued negotiations in the search for mutual understanding. We have recently sent an Ambassador to Maputo to help foster this fragile dialogue between our two states.

Similarly, we have moved to counsel restraint and dialogue between South Africa and other neighbors such as Lesotho and Zimbabwe, complementing and reinforcing their own efforts to arrive at a workable basis of coexistence.

Whether this vulnerable beginning survives is up to the governments directly concerned. The states of the region are making a choice between violence and coexistence. To accept the challenge of coexistence is much more difficult, but it represents the best hope of fostering constructive change and avoiding international strife.

South Africa: An essential ingredient in this volatile mix, and one which will profoundly influence the region's success or failure in addressing its problems, is how South Africans shape their own future.

Vice President Bush said in Nairobi last November that, "Apartheid is wrong. It is legally entrenched racism—inimical to the fundamental ideas of the United States. America's history and America's future can only be understood in terms of our commitment to a multiracial democracy in which all citizens participate and from which all benefit. The rule of law, the principles of consent and participation in the political process, and the right of every human being to citizenship which reflects these principles are to Americans a sacred trust. We will not betray this trust."

There are those in the United States and Africa who advocate punitive measures against and isolation of South Africa and other countries with whose policies they disagree. There are proposals before the U.S. Congress, [53] and, I understand, the Kansas State Legislature as well, that would ban bank loans to South Africa or Krugerrand gold coin imports from South Africa, deny access to the International Monetary Fund's stabilization programs,

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[52] See document 553. Ellipses are in the source text.

[53] Reference is to the amendment presented by Representative William H. Gray III on October 27, 1983, to H.R. 3231, 98th Congress, the Export Administration Act of 1983, which became Title III of H.R. 3231. The House did not complete action on the legislation in 1983. Other House bills had been proposed earlier in 1983 with similar provisions. For further information, see documents 545 and 551.

call for disinvestment or no new investment in South Africa, and institute punitive trade controls on civilian commerce.

The advocates of this approach would have us disengage and somehow walk away from the issues which southern Africa presents, as if they will magically solve themselves or not affect us if we turn our back on them. I reject that approach; it is basically a cop-out, cloaked in a fastidious false piety. Worse, it presumes without a shred of supporting evidence that change in South Africa would be advanced if the United States washed its hands of the problem, leaving the scene to others to work their will. That is not foreign policy. It is ostrich policy.

The prime focus of our efforts should rather be on positive steps to back constructive change and those in South Africa who are working for peaceful change. Constructive engagement is aimed at institution building, and supporting those advocates of constructive change in South Africa of all races in and out of government. American and European business carry a particularly heavy burden in this regard. It is within the capacity of this community to hasten the process of constructive change. Meaningful and broadened power sharing will occur as blacks acquire the economic and organizational base from which to insist on it, bargain for it and negotiate. Economic growth supported by foreign investment is, therefore, essential to the creation of opportunity for black South Africans.

For these reasons the administration opposes punitive measures and instead strongly supports the voluntary Sullivan Code of Fair Employment Practices. [54] American firms are playing and can continue to play a role in bringing about constructive change. An objective look at South Africa clearly demonstrates that blacks are gaining economic strength. Black labor and black purchasing power are vital to South Africa's economy. American and other firms are channeling hundreds of millions of dollars into black advancement in the work place, often setting the pace on a national scale and opening up new avenues for black advancement.

We are also backing up our views on change by the commitment of public funds to the process. And we are doing so—I might add—with bipartisan support in Congress.

—We have undertaken a $4 million-a-year scholarship program to bring 100 black South African students annually to the United States to study in our universities. The legislative basis of this program preceded this administration. [55] It has been substantially increased in the past few years.

—We have initiated training programs, in cooperation with the AFL-CIO, for black South African trade unionists to which the U.S. Government will contribute over $1 million this year and next.

—We are supporting small business development in black communities at a cost of some $3 million over the next 2 years.

—We are providing $2 million over the next 2 years to help tutor black South African high school students to improve their chances of entering professional schools.

These are illustrations of an approach that can be expanded further and, with Congressional support, it will be.

I cannot leave this subject without commenting on the recently approved constitutional proposals in South Africa. [56] While it would be inappropriate for the United States Government to propose or endorse any particular blueprint for political change in South Africa, it seems clear the 66 percent yes vote by South Africa's white electorate is a reflection of a growing consensus within that electorate of the need for change.

In that sense, November 2, 1983, is already a milestone in the modern history of South Africa. The proposals themselves did not address the question of political

[54] Regarding the Sullivan Code of Fair Employment Practices, see *American Foreign Policy: Current Documents, 1982*, footnote 32, p. 1192.

[55] Reference is to section 105(a) of the Foreign Assistance Act of 1961, as amended; 22 U.S.C. 2151c. P.L. 97-113, the International Security and Development Cooperation Act of 1981, approved December 29, 1981, established the South African $4 million-a-year scholarship program for fiscal years 1982–1983; 95 Stat. 1532. The Foreign Assistance and Related Programs Appropriations Act, 1984 (section 101(b)(1) of the Further Continuing Appropriations for Fiscal Year 1984, P.L. 98-151, approved November 14, 1983), funded the program for fiscal year 1984; 97 Stat. 965.

[56] See documents 537, 538, and 561.

rights for the country's black majority. But a clear majority of white South African voters decided to take a step which opens the way to constructive, evolutionary change toward a system based on the consent of all South African citizens, 80 percent of whom are not white.

The referendum results give the South African Government a mandate to move decisively along the road of change. The U. S. Government hopes that the South African Government will use its mandate to address the problem of the political rights of South Africa's black majority—for the sake of the people of South Africa and of southern Africa, and for the sake of its relations with the rest of the world, including the United States.

I have talked long enough, but I thought it important that you have a clear picture of how this administration views Africa and is addressing the major issues.

It is an ambitious program, but one which we believe will draw increasing support and understanding in Africa and here at home. Thank you.

B. Southern Africa: South Africa, Namibia, and Angola

Document 537

Transcript of the Department of State Daily Press Briefing, January 5, 1983 (Extract) [1]

Support For Proposed Constitutional Reforms in South Africa

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Q. Does the United States have any comment on the South African proposals of a constitutional reform where blacks, who are 70 percent of the population, will still be left out of the political— [2]

A. I do. The decision of the Colored Labor Party of South Africa to consider the South African Government's extension of a national political franchise to the so-called colored community is indicative of a larger process of change going on in South Africa.

While we fully recognize that the current proposals for reform do not address the fundamental question of national political rights for the 72 percent of South Africans who are black, a process of change is under way and we support it. The United States has no political blueprint to prescribe for South Africa's unsettled political agenda.

Our position reflects our strongly held belief that South Africa's future is for South Africans of all races to decide. In the context of our policy of constructive engagement, we have said simply that advocates of peaceful evolutionary change in South Africa, away from apartheid and toward a system of government by consent of the governed, can look to the United States for encouragement and support.

We view developments in the so-called colored community and the reform process generally in this context.

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[1] Source: Office of Press Relations, Department of State. John Hughes, Department of State Spokesman, conducted the briefing which began at 12:13 p.m.

[2] Reference is to the South African Coloured Labour Party's vote on January 3, 1983, to support Prime Minister Botha's proposed constitutional plan of July 30, 1982, to extend political franchise to the colored and Asian populations.

Document 538

Report Prepared by the Department of State, February 1983 (Extract) [3]

Human Rights Practices in South Africa

South Africa is a multiracial country with a parliamentary democratic system in which, as a result of the apartheid system, the 16.2 percent of the population which is white presently holds a monopoly of power. The South African system is a mixture of Western-style human rights practices and limits on these practices. National elections are free and fair, but only whites may presently participate. The press is free, but circumscribed by government pressure. Free labor unions exist, but while black unions are growing in strength, government pressure on them, including arrests of union leaders, has increased. The judiciary is based on the British model, but security legislation encroaches broadly on judicial power.

Political change of the apartheid system was the focus of reform proposals, public debate, and counterproposals in South Africa in 1982. At the same time internal and regional violence increased as a result of the conflict between the South African Government and groups such as the African National Congress, some of which have resorted to violent means to bring about an end to apartheid. The process of evolutionary change toward an undefined future political system was thus accompanied by both violent efforts to bring about revolutionary change and government efforts to eliminate opposition and keep control of the pace, direction, and substance of the process.

Increasing opposition to apartheid, the reaction to violence, and the process of change itself significantly affected South Africa's human rights situation in 1982. Chief among the effects was the continued erosion of the rule of law and its replacement by administrative fiat, diminishing the ability of citizens to appeal to courts for protection. The public now has no effective judicial remedy against the denationalization of Africans, forced resettlement, and indefinite detention without charge, among other administrative actions. While many of these actions are defended by the Government as necessary and correct measures to counter violent opposition to apartheid, they often affect those who have eschewed violence and are seeking to bring about peaceful, evolutionary change away from apartheid.

Following a consolidation of the position of advocates of change within the ruling National Party, the South African Government in 1982 took some steps toward broadening participation in the country's political process. It also enacted a new Internal Security Act which contains some peripheral improvements over previous legislation governing such practices as detention without trial and banning (internal exile). The Government also moved administratively but not legislatively to ameliorate the treatment of security prisoners in the wake of widespread international criticism of deaths in detention. The year also saw the moderation of some restrictions imposed on leading individual opponents of apartheid.

The Government's new proposals for constitutional reform include a limited national franchise for South Africans of colored (mixed race) and Asian descent. Not yet agreed to by these communities or implemented by legislation, these reforms have sparked wide debate. These proposals were designed to address a major inconsistency in apartheid doctrine as originally conceived: while black South Africans had been given political rights only in the context of separate "national states" created for them, the blacks losing in the process their South African citizenship, South Africa's colored and Asian populations were not considered nations and, while regarded as South African citizens, had no logical place in the political system. The government-sponsored reforms, if implemented, will recognize the rightful place of these two groups in the present Republic of South Africa and extend to them, on an ethnic basis, a form of limited national political representation. The proposed reforms do not allow for participation by black South Africans in the South African central Government.

While increasingly recognizing the need for economic integration, the South Afri-

[3] Source: *Country Reports on Human Rights Practices for 1982: Report Submitted to the Committee on Foreign Affairs, U.S. House of Representatives, and the Committee on Foreign Relations, U.S. Senate, by the Department of State*, Ninety-eighth Congress, First Session, Joint Committee Print (Washington, 1983), pp. 279–281.

can Government continues to look for a political alternative to a unitary, nonracial South Africa. While the Government's proposed reforms have been criticized by opponents of apartheid as "cosmetic," the ruling white National Party split in February 1982 over the very issue of power sharing with coloreds and Asians.[4] Despite the National Party split, a severe right-wing backlash in the Afrikaner community, and potential splits within the colored and Asian communities, the Government has indicated its determination to move ahead with its reform proposals.

As the debate continues on whether or not the process of change under way in South Africa represents the beginning of meaningful reform of apartheid or only its rationalization and modernization, apartheid remains the governing reality of life in South Africa. Apartheid, by whatever name, institutionalizes political and economic control by the white minority. The 83.8 percent of South Africa's population which is not white suffers pervasive discrimination which severely limits political, economic, and social life. (This report refers to the four major South African population groups as African, colored (the South African legal term for people of mixed race), Asian (Indian), and white. The term black is used in the broad sense, embracing all those of color in South Africa—Africans, coloreds, and Asians.)

The Constitution of South Africa, as amended since the National Party came to power in 1948, currently denies all persons who are not classified as white the right to vote in parliamentary elections or to be members of Parliament. Government proposals for constitutional reform currently being discussed would extend the franchise on a racially exclusive basis to coloreds and Asians. Derived from the Westminster model, the South African Constitution contains no Bill of Rights and provides for parliamentary supremacy. Government policy holds that, because of South Africa's ethnic and cultural diversity, the present economic and educational disparities among its constituent groups, an orderly society can best be achieved through separation of the races. A web of discriminatory laws and practices has thus been implemented throughout South African society. Important examples include: (A) the Constitution itself; (B) legislation which limits the citizenship of South Africa's 21 million black citizens to generally resource-poor "homelands" comprising 13 percent of the country's land area; (C) influx control or "pass" laws which prescribe the conditions under which black workers and their families may remain outside the homelands; (D) separate and unequal educational systems for the various race groups; (E) the Group Areas Act,[5] which mandates separate residential areas for whites, coloreds, and Asians; (F) the Immorality and Mixed Marriage Acts,[6] which make sexual relations or marriage between whites and persons of other races illegal; and (G) the Separate Amenities Act,[7] which authorizes the use of public facilities by persons of a particular race group without requiring equivalent facilities for other race groups.

South Africa has through the years also enacted legislation that, in the name of security, curtails the civil liberties of those persons (of all races) whose statements, actions, or associations are viewed as seriously challenging the established order. After a careful review of existing security laws, the South African Government enacted a new Internal Security Act during 1982 which repeals, while retaining and consolidating under the new Act, virtually all previous legislation affecting state security. While critics acknowledge peripheral improvements, they also assert that the Act preserves many of the objectionable elements, including detention without charge or trial and the authority to ban individuals, organizations, publications, and gatherings.

Flowing out of the defense of and opposition to apartheid in South Africa, a vicious cycle of violence is developing in southern Africa involving African National Congress attacks into South Africa and South African attacks against the African National Congress in neighboring states. A December 9, 1982, South African De-

[4] Following a split during the National Party parliamentary caucus meeting of Feburary 24, 1982, Dr. Andries P. Treurnicht, Minister of State Administration and Statistics, resigned his post on March 2, 1982. He announced the same day the formation of the Conservative Party of South Africa, opposed to any sharing of power with "nonwhites."

[5] Reference is to the Group Areas Act No. 49 of 1950.

[6] Reference is to the Mixed Marriage Act of 1949 and amendment to the Immorality Act of 1950.

[7] Reference is to the Reservation of Separate Amenities Act of 1953.

fense Force raid aimed at elements of the African National Congress in Maseru, Lesotho, left 42 persons dead, including South African refugees, women, children, and Lesotho citizens. There are also reports that the South African Government supports dissident movements in neighboring states as a means of diminishing local government support for the African National Congress. The conflict between the Southwest Africa Peoples' Organization and South Africa over Namibia, resulting in Southwest Africa Peoples' Organization attacks into Namibia from Angola, parallels the situation along the borders of South Africa itself. This growing cycle of cross-border violence is a challenge to both human rights and political stability in the entire southern African region.

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Document 539

Transcript of a Department of State Press Briefing, February 8, 1983 (Extract) [8]

Political Life in South Africa

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Q. Elliott, on South Africa, could I ask a specific question? I'm bemused by a sentence in the opening paragraph which says, "National elections in South Africa are free and fair, but only whites may presently participate." [9]

How can a system of national elections be free and fair when 16.2 percent of the population are permitted to participate?

ASSISTANT SECRETARY ABRAMS. It's very important to distinguish between a country in which 16.2% of the people engage in free elections, and there are scores in which zero percent of the population engage in free elections.

The purpose of the opening paragraph on South Africa was to try to give a sense of the complexity of the human rights and political situation there. It is a country in which, as that paragraph says, there is a very strange mixture.

Those elections in which the whites participate in South Africa meet any country's standards of freedom, but the vast majority of South Africans are simply not permitted to participate in them.

Similarly, they have an independent judicial system in South Africa that is one of the finest in the world, by world standards, yet there are significant, and growing over the years, restraints on what the judges are allowed to even get into.

One of the greatest critics of the government in South Africa is the press. It has one of the most vibrant free presses in the world, yet the government puts very significant limitations on the press, and on occasion attempts to intimidate it.

So what we tried to do is to give a sense of the extraordinary mixture of qualities which the South African human rights situation presents.

It is a very strange one. There are very few countries—in fact, I cannot offhand think of one—which has that particular mix of qualities, and that was what we were trying to get at there.

There is a very vibrant political life in South Africa, yet it is one which lives under extraordinary human rights restrictions, and that's what we were trying to convey.

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[8] Source: Department of State files. The briefing was conducted by the Assistant Secretary of State for Human Rights and Humanitarian Affairs, Elliott Abrams, and by the Deputy Assistant Secretary of State for Human Rights and Humanitarian Affairs, Charles Fairbanks, beginning at 10:04 a.m.

[9] Reference is to the report on human rights practices in South Africa, *supra*.

Document 540

Prepared Statement and Testimony by the Assistant Secretary of State for African Affairs (Crocker) Before a Subcommittee of the House Foreign Affairs Committee, February 15, 1983 (Extracts) [10]

The Search for Regional Security in Southern Africa

Mr. Chairman, Congressmen, it gives me great pleasure to be able to report to you on developments in southern Africa at the midpoint in the first term of President's Reagan's administration.

These hearings on progress toward independence for Namibia, and the broader subject of "destabilization" in southern Africa, are indeed important, for they address issues at the core of our southern Africa policy. Over the past twenty-five years, virtually all of formerly colonial Africa has gained independence from the European metropolitan powers. These newly independent nations, with many of whom we have significant economic, commercial and political ties, have made clear the importance they attach to eliminating colonialism from their continent. Thus, even apart from the traditional American desire to help the spread of self-government and democracy, there are profound political reasons for engaging in the effort to bring independence to Namibia.

There are equally important reasons for our concern about tension and instability in the region. Clearly, our desire to strengthen our economic and commercial links with Africa are not served by local conflicts or arms races, or by efforts of outside powers to exploit them for unilateral advantage. On the contrary, our own national interests are best served by an atmosphere of political stability and economic growth, which alone can nurture modern African economic and political institutions. It is obviously to our advantage to do whatever we can to ease tensions, and work toward the peaceful resolution of problems and disputes among the nations of the region. This is the fundamental principle behind our policy of constructive engagement in the search for a more stable, secure, prosperous and democratic southern Africa.

I would like to start, Mr. Chairman, by restating the administration's objectives, so it will be clear that they have not changed, and that we are continuing to pursue them with vigor and purpose.

—The United States seeks to help strengthen communication between the countries of southern Africa in order to ease tensions, bolster regional security, and encourage negotiated solutions and peaceful change.

—We are intent upon using every diplomatic tool at our command in order to bring about conditions which will lead to Namibia's independence at the earliest possible date.

—Believing that "apartheid", as a structure of legally-entrenched racial separation, is morally unacceptable to a democracy such as our own, we have sought to encourage those elements within South Africa seeking constructive change, in order to see widened the base of participation in government and the economy to include all the elements of South Africa's varied population.

—Finally, we seek constructive engagement with all the states of the region who wish the same with us. We do not approach the region with the belief that our task is to choose sides; on the contrary, it is the fact of our desire for strengthened relations with all the states of the region that enables us to play a role—where such is welcome—in working for regional security, development, and peaceful change. The United States is on the side of peaceful change and negotiated solutions. This is where our interests lie and this is what makes us uniquely relevant to the region.

Regional Security

It has long been clear to all who were genuinely concerned about Africa's efforts to develop modern democratic institutions and processes—social, economic, and political—that tension and hostility were inimical to those efforts. Certainly a region threatened with the prospect of heightened violence and polarization would find

[10] Source: *Namibia and Regional Destabilization in Southern Africa: Hearing Before the Subcommittee on Africa of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 17–30, 32–33, 35, 51–52.

it difficult, at best, to focus positive efforts on its own development.

The recent history of southern Africa must serve as a cause of alarm to us. With the collapse of the Portuguese Empire in the mid 1970's, violence has escalated throughout the region to a point today where the fact or threat of violence is a major feature of the area. Cross-border conflict risks becoming endemic. The question the United States faces—alone and with its allies—is whether diplomacy can provide an alternative to violence or whether southern Africa is in the process of condemning itself to violence as a way of life. We have seen this happen elsewhere in the world—in the Middle East—with still incalculable consequences for world peace and our national security. It is in our national interests to seek to avoid such a development.

Mr. Chairman, this administration did not invent violence in southern Africa. We did make it our purpose to do something about it. We have set out as a conscious objective of policy to provide an alternative to conflict—not only in Namibia, our most visible effort, but throughout the region. We have made it our purpose to work with the nations of the region to see if a framework of restraint and broad rules of conduct could be developed which could contain conflicts and provide this basis for solutions. The Vice President summed up our policy in Nairobi on November 18, 1982, when he said:

> "We are determined to help turn the sad tide of growing conflict and tension in southern Africa." [11]

From the outset of this administration, we sought to establish effective communication with all those nations and other political elements with whom communication was inadequate or had lapsed. It seemed self-evident that unilaterally isolating ourselves from those with whom we had differences, however strongly felt, served no purpose other than to cut us off from an ability to influence or affect their policies.

We began with a series of intensive discussions with all of the major actors in the region in order to identify their concerns, see how these fit in with our objectives, and determine how best we might proceed to advance American and Western interests. The priorities which seemed apparent to us were the ones enumerated earlier: regional security, independence for Namibia, the encouragement of elements favoring peaceful change within South Africa away from the system of apartheid, and constructive engagement with regional states in tackling the larger problems of economic and political development.

With respect to regional security, it seemed clear that one of the major barriers—if not *the* principal stumbling block—was the inability or unwillingness of parties on either side of South Africa's borders to speak to each other. Instability, coupled with a self-imposed reluctance on the part of the United States to act in concert with potential parties on behalf of our interests, had led to openings which were being exploited by our adversaries. Another major problem was our own lack of a credible dialogue with significant actors in the southern African region—not the least of which were the Governments of South Africa and Angola.

Over the course of the past two years, we have worked assiduously to restore communication and get a dialogue going again. I believe we can point to a considerable record of success:

—We have now had an extensive series of discussions at senior levels with the Angolan Government, exploring ways of improving our bilateral relationship with that country and seeking to bring about circumstances which will make possible agreement on Namibian independence. [12]

—After a period of difficulty in our relationship with Zambia, we have worked hard to reestablish a basis of confidence and improving communication, culminating in a highly successful visit that Vice President Bush paid to that country in November of last year. [13] We hope to have President Kaunda visit the United States in the near future. [14]

—We have continued to attach a high priority to assisting Zimbabwe, now in its

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[11] See *American Foreign Policy: Current Documents, 1982*, p. 1162. Vice President Bush made this remark on November 19, 1982.

[12] Crocker met with Angolan Foreign Minister Paulo Teixeira Jorge in Paris, January 15–16, 1982. Secretary Shultz met with Jorge at the United Nations on October 5, 1982.

[13] See *American Foreign Policy: Current Documents, 1982*, p. 1235.

[14] President Kenneth David Kaunda visited Washington, March 29–April 2, 1983.

third year of independence, as it seeks to meet pressures from the world economic downturn, a devastating drought sweeping across much of southern Africa, and the stresses and strains from political divisions within. Zimbabwe has traveled a rough road over the past 2 years but those who seek to judge its performance should have the humility to recall our own history at a similar stage in America's independence, as well as the daunting challenges facing Zimbabwe's leadership. We intend to continue our efforts to assist this new country, convinced that it offers important prospects for becoming a keystone in the economic development and regional stability of southern Africa. Just as we seek to foster a regional climate of security and confidence that will encourage constructive change in South Africa, so too do we seek a regional climate conducive to Zimbabwe's success as an independent nation.

—This administration took office just as the United States' relations with Mozambique reached a low-water mark. Communication with the Mozambican government was practically nonexistent; that country's policies seemed unalterably aligned with those of the Soviet Union and its satrapies, its perceptions warped by hostile disinformation. But the utter incapacity of Marxist economics to cope with the problems of a developing country, and the conspicuous inability of the Soviet Union to assist Mozambique with security and political problems stemming from its isolation, led to indications that the Mozambican government wished to reestablish communication with the United States. We responded by making clear that we were interested in a positive relationship based upon respect for each other's interests and were willing to engage in building bridges between us based upon mutual respect. Within just the past 3 months, we have had two sets of discussions between senior American and Mozambican officials aimed at engaging the Mozambican government in a constructive effort to improve regional stability and restore communications between us.[15] We believe that a solid basis now exists for a meaningful improvement in relations between us.

[15] Reference is to Deputy Assistant Secretary of State for African Affairs Frank G. Wisner's visit to Maputo on December 13, 1982, for discussions with President Samora Moises Machel, and to Crocker's visit to Maputo for discussions with Machel on January 13, 1983.

Similarly, in our contacts with South Africa we quickly moved beyond discussion of the Namibia issue and bilateral questions to the overarching question of regional security. We believe our extensive contacts with Pretoria have enabled us to more fully grasp the South African Government's concerns about the region's dynamics while also making clear the terms on which we must operate if we are to be credible and effective there. While much remains to be done, the conditions now exist for a candid, sensitive and productive dialogue on regional matters with that country.

I would like to turn now to another facet of our diplomacy in southern Africa—encouraging effective communication between South Africa and its neighbors. We have not engaged in this effort as a search for glory or out of our own ambition. We have done so for the good and sufficient reason that it is obviously in our national interest. The cycle of violence that threatens southern Africa is antithetical to everything this country stands for. Militarized conflict and the recourse to violent means can only advance the interests of our adversaries.

Dialogue alone, of course, will not necessarily solve the problems, but communication among countries that have serious disputes and basic political differences is an obvious first step. Within the past 6 months, South Africa has had significant and positive discussions with Angola, with Mozambique, and, in fact, with virtually all of its immediate neighbors.[16] It is diffi-

[16] South African Prime Minister Pieter Willem Botha and Zambian President Kaunda met at the South Africa–Botswana border for discussions on the political situation in southern Africa on April 30, 1982. On December 7, 1982, South African Foreign Minister Roelof F. Botha, South African Defense Minister General Magnus Malan, Angolan Minister of the Interior Lieutenant Colonel Manuel Alexandre Duarte Rodrigues, and Angolan Minister of Transport and Communications Fernando Faustino Muteka met on the Island of Sal in Cape Verde concerning the withdrawal of Cuban troops from Angola and independence for Namibia. On January 27, 1983, further South African-Angolan talks were held in Cape Verde. On December 17, 1982, South African Foreign Minister Botha, South African Director General of Foreign Affairs Johannes Van Dalsen, Mozambican Minister of Security Major General Jacinto Soares Veloso and Mozambican Minister of Agriculture Sergio Vieira, met at the Mozambique–South Africa border

Continued

cult to overstate the significance of the developing dialogue between South Africa and its neighbors, a dialogue we have sought—in unintrusive ways—to further. We welcome the fact of these contacts, and hope that by a thorough airing of differences, a constructive effort can be made toward their resolution.

It is important, we believe, to recognize that as dialogue itself is, by definition, a two-way street, so, too, is regional security. There is a compelling need for all the parties to recognize this. Although at any given moment, following some specific development or event, it might be possible to pronounce a moral or political judgment upon that event, it is not always useful, or even wise, to do so. For that matter, it is not always even possible to know precisely what has taken place, or why. Public posturing and the passing of judgment, however gratifying to those who do it, is not usually the most helpful way to deal with the root causes of disputes. We seek results. This administration is profoundly conscious of the fact that southern Africa is a highly charged, politically polarized environment. Some would say it is a minefield. There is ample public posturing by the regional actors themselves without adding our own rhetoric to the mix.

Regional security runs in both directions across international borders, and in southern Africa each side in every dispute claims grievances against the other. We have not chosen to condemn each transgression by one or another of the parties, but have, rather, chosen the perhaps less gratifying but certainly more important long-term task of trying to ease tensions. In our view, our effectiveness depends on our ability to be a credible partner of all who wish our partnership and are prepared to engage in good-faith efforts to solve problems. Apart from Namibia, all states of the region are sovereign and recognize each other's sovereignty. That is a fact, and it carries with it certain obvious implications. Some states are not more sovereign than others. We recognize no state's right to harbor plotters or perpetrators of violence across borders and against other lands.

Mr. Chairman, I recognize that some observers are less than satisfied with the balance and discretion inherent in what I have just said. But we believe that those who would have us take sides among the parties in southern Africa would have us unlearn every important role of diplomacy. In southern Africa as in the Middle East, it is not by choosing sides that we shape events or resolve conflicts. Our nation should be proud to stand on the side of peace and diplomacy and be prepared to weigh the concerns and interests of the parties involved as we seek to build bridges and explore avenues for agreement.

Namibia

When President Reagan took office in January of 1981, the Namibia negotiations had broken down,[17] despite the substantial efforts and accomplishments of our predecessors. There was an atmosphere of mutual suspicion and recrimination among the parties whose agreement was essential for Namibia to secure its freedom. The obstacles to agreement between the parties were so great that it would have been tempting for us to walk away from the problem, washing our hands of the negotiations, and leaving it to debate and doubtful resolution by others. Certainly there were other urgent priorities.

Instead, partly in response to what we were clearly told by our African friends and our key allies in NATO, and partly because of America's historic tradition of support for self-determination, we set out to find a way to move toward Namibian independence. In preparation for this, we conducted extensive and exhaustive discussions with each of the major parties to the negotiation—the frontline states, SWAPO, other states in Africa, the South Africans and the internal parties inside Namibia, and our European allies.

We concluded that Namibia's independence could not be achieved in the absence of conditions which gave *all* participants reasonable confidence that their security interests would be protected. It was obvious to any observer that—irrespective of the reasons for their being there—the presence of Cuban combat forces in Angola was an integral part of the regional security problem.

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town of Komatipoort to discuss ways to improve relations and the political situation in southern Africa.

[17] In January 1981, the Pre-Implementation Conference in Geneva concluded in failure.

I know that the members of this distinguished subcommittee are familiar with the charges and countercharges from both Angola and South Africa about the fighting across the Namibian-Angolan frontier. My point is a simple one: the Cuban troop issue is not an issue we made up; it is an objective reality at the core of the question of regional security. The South Africans, whose concurrence and cooperation must be secured for any agreement leading to Namibian independence, have repeatedly made clear that they regard the Cuban troop issue as fundamental to their security concerns. Quite apart from that, the United States, as Vice President Bush said in Nairobi on November 19, 1982, "is not ashamed to state its interest in seeing an end to the presence of Cuban forces in Angola," just as we seek internationally recognized independence for Namibia. Such an outcome would contribute to both regional security and a global climate of restraint.

We have, for more than a year now, been engaged in intensive discussions with the Angolan Government in an effort to reach a broadly acceptable formula for parallel withdrawal of foreign forces from Namibia and Angola. These bilateral discussions have been held outside the framework of (UN) Security Council Resolution 435,[18] and are not part of the Western Contact Group's mandate. We are fully prepared to respond to Angola's security concerns as well as to deal forthrightly with the reality of South Africa's concerns. We believe that this is a viable means of achieving the goal of Namibian independence to which we are profoundly committed. We know of no other means.

We believe that Angola wishes to contribute to a Namibian independence agreement, so long as its own security interests are preserved. We have achieved real progress in our talks with the Angolans and will spare no effort in continuing our search for a comprehensive, peaceful settlement.

Your letter, Mr. Chairman,[19] inviting me to participate in these hearings, asked what the "short and long-run prospects" are for a Namibian settlement, as well as a number of specific questions about "when" South Africa and the United States made Cuban troop withdrawal a necessary accompaniment to Namibia's independence.

The answer to the first question is: "reasonably good." Certainly we intend to continue the effort. But this is a complicated and difficult negotiation, and it involves fundamental issues and choices for both sides. It has taken time and it may take more. I believe the greatest mistake that we could make would be to yield to the historic American impatience with the progress of negotiations.

That carries with it the answer to your second question, about "when" the Cuban troop issue became a prerequisite for Namibian independence. Security, of which the Cuban troop issue is an integral part, has *always* been a prerequisite for agreement on Namibian independence. As a practical diplomatic matter, it will not be possible to obtain a Namibian independence agreement without satisfactory regional security assurances. Quite apart from the diplomatic problem, it would not be desirable to bring Namibia to independence in circumstances that held the prospects for greater regional instability and turmoil. This administration would not be a party to it, and I would hope that no one in this room would wish to see that either.

This approach does not mean an indefinite delay for Namibia's transition to independence. Some in the media and elsewhere press for our forecasts on these negotiations. In reply, I would say that we are neither optimistic nor pessimistic; instead, we have a realistic objective, and we are determined to move steadily toward it.

In conclusion, I would emphasize that we have set ourselves goals worthy of the support of all Americans and developed a road map for reaching them. The parties in the region are well aware of our seriousness. Not surprisingly, all of them can find fault with this or that aspect of our diplomacy. But our goals and methods are increasingly understood. Despite the inherent difficulties, the Administration sees no reason to shift course and every reason to persevere.

Thank you, Mr. Chairman. I would be glad to answer your questions.

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[18] For text of U.N. Security Council Resolution 435(1978), see *American Foreign Policy: Basic Documents, 1977–1980*, p. 1205.

[19] Representative Howard E. Wolpe.

MR. WOLPE. You are the people who made the linkage. We have talked about this in public session on a variety of occasions. So we can begin to clarify that record; it was the United States, was it not, that raised the Cuban troop issue as a matter of formal linkage to the question of the Namibian independence settlement? It was not South Africa that raised this question. It had not arisen in the earlier diplomacy prior to the new effort that was undertaken; is that not accurate?

MR. CROCKER. No; that is not accurate, Mr. Chairman. The issue of Cuban troops had been referred to and had been raised in previous periods of negotiation, going back several years before we entered office.

What we sought to do in coming in to examine the situation was to identify what it would take to get a go-ahead from the key parties.

We knew, as far as the African parties were concerned—that is, the Front Line states and SWAPO—that what it would take to get an agreement was the consolidation and the confirmation of U.N. Resolution 435.

MR. WOLPE. If I may interrupt you, it is very important that we use the same words—not use different words that are intended to convey one meaning when you have something else in mind.

I have had conversations personally with ambassadors representing the Front Line states and with Presidents and heads of state. I have had similar discussions with members of the Western Contact Group, the French, Canadian, British, and Germans. In no instance has anyone suggested that anything but the Cuban troop linkage question was newly advanced as part of the diplomatic thrust of the new administration. Simply they claim it had never arisen as part of the formal negotiating process previously.

Are you saying that is all in error? I want to understand precisely what your position is on that.

MR. CROCKER. Mr. Chairman, I share your interest completely in clarifying this point. The point I made is that this is not, since we came into office, the first time that the Cuban troop issue has been discussed in the negotiations.

What we sought to do was to restructure for success the negotiation that we inherited. The negotiation we inherited had a substantial accomplishment in it; namely, all the agreements surrounding U.N. Resolution 435.

There is one minor problem, Mr. Chairman. South Africa was not of a mood to implement it.

MR. WOLPE. Did you or did you not make these formally linked propositions in a way that had not happened previously?

MR. CROCKER. Our effort to relate Namibia to Angola was our effort. I am not denying that. What I am saying is that—

MR. WOLPE. That is all I was trying to establish.

MR. CROCKER. That was not the question you asked, Mr. Chairman. You asked if this was the first time Cubans have been an issue in the negotiation. They have been an issue in this problem since 1975, when they arrived there.

. . . . . .

MR. CROCKER. Mr. Chairman, in the interest of clarifying the record on the issue we were previously discussing, I wonder if I could add one word on that question of the Cubans. . . .

I think you said that we were looking for a way to restructure the negotiations and we sort of sidled up to the South Africans and said, "Hey, how about some Cuban troop withdrawal?" That wasn't the way it went. I want to make this very clear for the record.

We sought to ask the South Africans for a definitive list of their concerns which, if addressed, would lead to an agreement to implement U.N. Resolution 435.

They were very quick to indicate what that would be, not surprisingly. This is an issue, as I said, that has been on their minds since 1975.

This question of linkage gets tossed around in many ways. For years we have heard from the Angolan Government a notion of linkage which is that once Namibia is independent, sometime thereafter Cuban troops will go home. We do not think that kind of linkage is terribly pro-

ductive any more than we would have accepted South Africa's insistence that Cuba should go first and then, after the Cubans have left, we would be prepared to decolonize Namibia.

We have rejected both kinds of linkage which say "you go first," and we have sought a relationship of parallel movement here which would have both sides, in effect, making compromises.

I think it should be very clear for the record, since we are trying to establish a record here, that our approach is fundamentally balanced on that point.

Mr. Chairman, in relation to your—

MR. WOLPE. Can I clarify that point before you move on to the question? Are you saying, in effect, that the American Government took South Africa's list of what was important to it and agreed to make that part of our diplomatic package because it was on South Africa's list?

MR. CROCKER. We asked all the parties what was on their list. We did not accept everything on everybody's lists either.

MR. WOLPE. Why this?

MR. CROCKER. It was obviously the most important issue. As we said, what we are seeking to do is to build a climate in southern Africa which has foreign troops going home, South African foreign troops going home and Cuban foreign troops going home.

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MR. WOLPE. Let me close with just a few additional questions related to the Angolan piece of what is happening.

First of all, what is the American position at this point with respect to UNITA? Do we take the position in our diplomacy that there must be some kind of arrangement with UNITA that is also a part of the overall ability to put together a settlement of the Namibian conflict and of the issue surrounding Cuban troop withdrawal?

MR. CROCKER. Mr. Chairman, we take the position that we have all along, that UNITA is an important and legitimate nationalist movement inside Angola.

It is based inside Angola. It operates primarily from the base of support of people inside Angola and from captured equipment.

We also take the position that the resolution of that political question is not for us. It is a matter for Angola. It is an internal Angolan matter. It is not a preconditioned or a linked aspect of the negotiations that we have been talking about today.

Whether the Angolan Government and others will conclude that in order for these other issues to be resolved, there will need to be some kind of an agreement on the issue of UNITA, that is for them to say. We have no conditions on that issue.

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Document 541

Transcript of the Department of State Daily Press Briefing, February 17, 1983 (Extract) [20]

The U.S. View of Southern Africa Cease-Fire

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Q. Do you have anything on peace treaties between Angola and South Africa, and the status of that?

A. Yes, I do. I guess you're referring to the reports that *de facto* cease-fire is in effect already between South Africa and Angola. [21]

Our understanding is that no formal ceasefire is yet in place but that, complementary to the negotiations underway between Angola and South Africa, all sides

[20] Source: Office of Press Relations, Department of State. John Hughes, Department of State Spokesman, conducted the briefing which began at 12:22 p.m.

[21] A *de facto* cease-fire between South Africa and Angola went into effect on Feburary 16, 1983.

may have seen some advantage in showing a degree of military restraint in recent months.

The objectives that Angola and South Africa are working toward in their direct negotiations are a matter between those two countries. No useful purpose could be served by our commenting on them in advance. However, it's difficult to imagine that even a limited cease-fire between some of the parties in the war-torn southern African region would not be, in fact, a constructive step toward a more comprehensive regional peace.

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Document 542

Remarks by the Secretary of State (Shultz), Atlanta, February 24, 1983 (Extract) [22]

"It is Helpful To Have a Relationship and To Work With the South Africans"

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PRESIDENT WHITE. The Reagan administration policy of constructive engagement in a friendly way with the Government of South Africa has come under recent criticism. Do you see this policy as useful in producing a real change in the apartheid policies of South Africa or in a successful conclusion to the negotiations for an independent Namibia?

SECRETARY SHULTZ. I do. I think it is helpful to have a relationship and to work with the South Africans. That doesn't, by any means, condone at all the existence of an apartheid policy which is reprehensible and not acceptable in any way. I think we have to be absolutely clear about that. However, there are important problems in the region. There is, I think, the possibility of some progress, and we should be on the side of that progress.

Furthermore, insofar as the emergence of an independent, self-governing Namibia is concerned, obviously, the attitudes and policies of South Africa will be an important ingredient in bringing that about. And if you're going to have some impact on what their policies are, you have to be able to talk to them. So we are trying to have ourselves in a position of talking to them, even though on the apartheid policy, we have no time at all for that policy.

. . . . . .

[22] Source: Department of State Press Release 62A, February 28, 1983; also printed in Department of State *Bulletin*, April 1983, p. 30. The Secretary made his remarks during a question-and-answer session following his address to the Southern Center for International Studies at 1 p.m. For text of his address, see document 72.

Document 543

Transcript of the Department of State Daily Press Briefing, April 5, 1983 (Extract) [23]

Condemnation of the Shooting Death of a South African Black Leader

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Q. On the same part of the world, on the South African community leader who was shot—

A. Mr. Mkhize?

Q. Yes.

A. The Department of State deplores the shooting death on April 2 at Driefontein in South Africa of black community

[23] Source: Office of Press Relations, Department of State. John Hughes, Department of State Spokesman, conducted the briefing which began at 12:17 p.m. Saul Mkhize was shot by South African police while leading a protest meeting against the South African Government's plan to move blacks from his farming village, which was in an area the government had designated for whites only.

leader Saul Mkhize. The Department anticipates that a full investigation will be carried out by the appropriate authorities to determine the circumstances surrounding Mr. Mkhize's death.

It appears that Mr. Mkhize was shot while organizing a peaceful protest against Government plans to remove a community from its present location to one of South Africa's ethnic "homelands."

The United States has consistently made clear its view that South Africa's problems are not constructively addressed by the arbitrary relocation of peoples on an ethnic basis within South Africa, or by any effort to divide the country into pieces by creating "homelands" or by depriving the displaced peoples of their South African citizenship.

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Document 544

Transcript of the Department of State Daily Press Briefing, April 26, 1983 (Extract) [24]

U.S. Claim of Contact Group Support in Search for Angolan Solution

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Q. . . . There have been several charges from the French and others, and there were several requests that the U.S. change its policy again on linkage between Angola, South Africa, and so forth. Do we have any comments, especially to the French criticism the other day?

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A. The agenda of the Contact Group, [25] as defined by U.N. Security Council Resolution 435, is substantially complete, as Minister Cheysson said in Paris. [26]

Through the cooperative efforts of all parties, we have reached the point where, with the exception of the electoral system for the Constituent Assembly and final agreement on the composition of UNTAG, we are close to being able to implement the U.N. plan for Namibian independence.

In his speech, the Foreign Minister called attention to the fact that very little remains on the formal U.N. Security Council Resolution 435 agenda. Meanwhile, we are working very hard to achieve success in our separate discussions with Angola, and we have had the full support of all our Contact Group partners to that end.

We have sought and will continue to seek an understanding that meets the basic concerns of all parties and that opens the way to a stable and peaceful regional context in which Namibia can achieve its independence under the free and fair process envisaged in the U.N. plan.

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[24] Source: Office of Press Relations, Department of State. Alan Romberg, Department of State Acting Spokesman, conducted the briefing which began at 1:05 p.m.

[25] The Contact Group on Namibia is composed of the United States, the United Kingdom, France, Canada, and the Federal Republic of Germany.

[26] Reference is to French Foreign Minister Claude Cheysson's remarks on April 25 at the opening session of the U.N. Conference on Namibia, held in Paris, April 25–30, 1983. He criticized the U.S. position linking Namibian independence to the withdrawal of Cuban troops from Angola. Cheysson stated that he believed the Contact Group's agenda was complete: "It is not appropriate that the Namibian people should serve as hostages to enable neighboring countries to deal with other matters; however important they may be." (*New York Times*, April 26, 1983, p. A7)

Document 545

Prepared Statement by the Deputy Assistant Secretary of State for African Affairs (Wisner) Before a Subcommittee of the House Foreign Affairs Committee, May 3, 1983 [27]

Opposition to Restrictions on U.S. Trade and Investment in South Africa

I welcome this opportunity to appear before the committee to address the very serious questions of substance raised by the rider attached to the State Department Authorization Bill by Mr. Solarz. [28] The Department will provide full written comments on the rider. I would at this time like to summarize the Department's views with regard to the proposals to require mandatory compliance with the Sullivan Code, to prohibit new U.S. bank loans to the South African Government or agencies thereof, and to prohibit the importation of South African gold coins or krugerrands.

These proposals are similar in nearly all respects to H.R. 3008 and H.R. 1693, [29] the latter being a reformulation of the former which was not accepted by the ninety-seventh session of Congress. At that time the Department went on record in opposition to H.R. 3008. Much of my comments represent a reiteration of our previous statements.

I would like to outline here why we do not believe it helpful to the process of change away from apartheid for the U.S. Congress to legislate compliance by U.S. corporations and affiliates with a code of fair employment practices applicable to affiliates and subsidiaries operating in South Africa.

Let me review for the committee the record of adherence to and performance under the voluntary Sullivan Code. Three-hundred thirty U.S. firms and affiliates employ 127,000 individuals in South Africa. Seventy-one percent or 90,000 of these employees work for the 146 U.S. firms, affiliates, or business units which have adhered to the Sullivan Code. These 146 firms actually represent 178 business units.

There are some 152 other business units operating in South Africa affiliated to U.S. companies which are not signatories of the Sullivan Code. Nineteen of these 152 are companies where U.S. interest does not amount to control. This leaves 133 companies or business units controlled by U.S. firms or affiliates which are not Sullivan Code signatories.

These 133 firms employ 17,000 persons. Of the 133 firms, 25 firms alone employ 14,000 of these 17,000 persons. The remaining 106 firms employ some 3,000 persons.

These figures illustrate that it is not correct to judge the success of the voluntary Sullivan Code on the basis of the number of firms which have adhered to the code, but rather, the judgement should be based on the number of employees that could theoretically be covered by the Sullivan Code. As I have indicated, at the present time some 71 percent of these employees are covered by the Sullivan Code.

If the 25 firms employing 14,000 persons were added to this, Sullivan Code coverage would extend to 171 firms or 104,000 employees representing 82 percent of all employees.

Further research needs to be done on the remaining 106 firms employing some 3,000 persons. Many of these firms are very small operations, many only employing a minimal number of persons.

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[27] Source: *Authorizing Appropriations for Fiscal Years 1984–85 for the Department of State, the U.S. Information Agency, the Board for International Broadcasting, the Inter-American Foundation, the Asia Foundation, to Establish the National Endowment for Democracy: Hearings and Markup Before the Committee on Foreign Affairs and Its Subcommittee on International Operations, Ninety-eighth Congress, First Session* (Washington, 1984), pp. 1036–1043.

[28] Reference is to H.R. 2915, 98th Congress, the Department of State authorization bill for fiscal year 1984. Title VII, Solarz's rider to H.R. 2915, was subsequently deleted by unanimous consent of the Foreign Affairs Committee, and was incorporated as Title III of the Export Administration Amendments Act of 1983, H.R. 3231, 98th Congress. See document 536.

[29] Reference is to H.R. 3008, 97th Congress, introduced by Representative Solarz on April 2, 1981, outlining restrictions on U.S. trade and investment in South Africa; and H.R. 1693, 98th Congress, introduced by Representative Solarz on February 25, 1983. See document 551. Restrictions regarding South Africa were incorporated in H.R. 3231. See document 536.

The real question at issue in our view is how to encourage adherence by the main 25 firms which are not signatories. The question is whether the proposed rider would be the appropriate means of achieving this objective. We do not think it is either appropriate or the most desirable means of encouraging U.S. firms and affiliates to implement fair employment practices.

Through totally voluntary efforts, the Sullivan Code has succeeded in accomplishing a major change not only in the restricted sphere of the companies own operations, but also in the entire approach to industrial relations in South Africa. The Sullivan Code has played a contributory role to the labor reforms instituted by the South African Government and the Sullivan Code has acted as a catalyst for both other foreign investors and for South African industries as well. The Sullivan Code accomplished all of this on the basis of volunteerism, without the interference of the U.S. Government or the establishment of a bureaucracy to dictate that U.S. firms must account to the government for their adherence to fair employment practices.

Sullivan signatory firms spent $3,310,772 on training of employees in 1982, a 48 percent increase over the previous year's expenditures. Sixty percent of the employees benefitting from the training were black, colored, or Asian. Sullivan signatories contributed over $10,500,000 on projects to assist the disadvantaged black, colored, and Asian communities in South Africa. This represented slightly more than 2 percent of the total profit derived from U.S. direct investment in South Africa in 1981. Expenditures for community development and education and training assistance for non-employees by the 120 Sullivan signatory firms filing compliance reports represented approximately 3.5 percent of their 1981 profits. This does not include an evaluation of the time contributions of U.S. subsidiary employees which amounted to 13,000 employee days. Neither does it take into account contributions made in these areas by non-reporting or non-signatory U.S. subsidiaries. These additional contributions indicate that the actual percentage of U.S. corporate income from South Africa made available for these purposes was really higher than 3.5 percent. An across the board contribution of 3.5 percent of all corporate profits by all firms in South Africa would amount to $215 million a year. As U.S. investment in South Africa represents only a minor percentage of total investment it is obvious that the contributions to community development in South Africa by U.S. firms is several orders of magnitude larger than is accounted for by the significance of the U.S. firms to the South African economy.

In short, U.S. firms are acting as catalysts for change in South Africa, not only in terms of fair employment practices, but across the board in all aspects of community life. The Sullivan Code deserves most of the credit for being the engine which is driving this corporate force for change away from apartheid and discriminatory employment practices. The activities of the Sullivan signatory firms have had an impact far beyond the book value of U.S. investment in South Africa. The U.S. corporate community in South Africa, on a voluntary basis, has become one of the main catalysts for change. We feel strongly that this is where the U.S. corporate community belongs.

Capitalism and apartheid cannot coexist. We believe that capitalism will help to bring about the end of apartheid through a process of peaceful, evolutionary change based on adequate economic growth.

Adherence to the Sullivan Code is, therefore, not only in the best interests of the individual firms, it is in the national interest of the United States. We have strongly urged all non-signatory firms to adhere to the code on a voluntary basis. The track record of the 146 firms which have adhered to the Code is good, getting better and deserving of the support and commendation of the executive and legislative branches of government. At the same time, these firms and this administration strongly urge all non-signatories, of whatever size, to adhere to the Sullivan Code and to perform and participate in the activities of the Sullivan task forces. We are not prepared to diminish the track record of the Sullivan signatories by cloaking it in the bureaucracy proposed by H.R. 1693, but clearly, those firms which have not adhered must recognize their corporate responsibility to their black employees and as representatives of the United States. We believe that adherence to the Sullivan Code is the most effective means of meeting these obligations and we urge these firms to adhere.

Let me also briefly address the structure proposed by the rider for implementing its legislative requirements. I would like to

appeal to the committee to recognize that the Department of State is not a regulatory agency. We have neither the staff, the expertise, nor the mandate to monitor foreign business practices. The proposed section 103 (a) [30] obligates the Department of State to implement compliance with the legislation through procedures which are similar to section 2(b)(8)(c) to the Export-Import Bank Act, known as the Evans amendment. [31]

While we have worked out procedures to implement this act, the Congress must accept that this regulatory action is not proper to the Department of State. In this regard, I must advise the committee to look carefully at the Evans amendment precedent before obligating the Department of State in the person of the Secretary of State to carry out the provisions of the proposed legislation. We would also advise the committee that such proposals could be construed as constituting an extraterritorial application of U.S. legislation and may be construed as such by the South African Government. In such case the Department does not believe it feasible to establish the advisory council in South Africa called for in section 103(a).

I do not want to dwell extensively on these technical objections, although I believe that each, on its own, precludes favorable consideration of this proposal. Rather, I would prefer that the committee concentrate its attention on the proven track record of success on a voluntary basis of the Sullivan Code. The Sullivan Code has worked because it is voluntary. It would be a disservice to the U.S. corporate community and to the cause of change away from apartheid in South Africa, if we as a government took any action that undercut the Sullivan Code. The administration strongly believes that the proposed rider or H.R. 1693 would have just this effect.

I have concentrated my remarks on the Sullivan Code. Let me say a few words about Title II of H.R. 1693, the proposals to ban the sale of South African gold coins in the United States and the proposal to ban any new U.S. bank loans to the South African Government or its agencies. These topics should be addressed in more detail by the representatives of the Department of [the] Treasury and by the constitutional experts who are more qualified to address the question of U.S. Government restrictions on capital flows abroad. [32] I would also call to the committee's attention the legislation and actions being taken to put into circulation an American gold coin. One of the areas that should be looked at is the source of the bullion to be used in minting this coin: I believe the committee will find that South Africa is among those sources and that restricting sales of krugerrands will have no effect in terms of the net gain from gold sales to the United States by South Africa.

I would, however, like to close my statement and underscore our opposition to Title II by emphasizing that these proposals, while well-intentioned, will not serve the purpose of advancing movement away from apartheid in South Africa. While appearing salutory in principle, careful consideration indicates that the measures proposed will not be effective. If we know this and proceed nonetheless on this course, the South African Government can only conclude that we are not serious about our advocacy of peaceful change, but are only paying lip service to political exigencies. We do not believe such is the case. We all share a commitment to the goal of ending apartheid and, the Congress, together with the executive branch, have demonstrated an ability to conceive and design programs such as the South African Scholarship Program passed with the assistance of Mr. Solarz, which are actively promoting change away from apartheid. We applaud and welcome such initiatives for their effectiveness. This, in the final analysis, must be the criteria used to judge any proposed action with regard to apartheid, and in this regard, we find the cur-

[30] For text of section 103(a) of H.R. 1693, see *South African Restrictions: Hearing Before the Subcommittee on Financial Institutions Supervision, Regulation and Insurance of the Committee on Banking, Finance, and Urban Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 9–10.

[31] Reference is to P.L. 95–630, November 10, 1978, section 1915, amending the Export-Import Bank Act of 1945. Section 2(b)(8)(c) stated that the Bank would not facilitate exports to South Africa unless the Secretary of State certified that the purchaser had proceeded toward nonsegregation of the races in all work facilities and equal and fair employment practices. For text, see 92 Stat. 3727.

[32] Reference is to testimony by the Departments of State, Commerce, and the Treasury regarding restrictions on capital flows to South Africa, held on June 8, 1983. See document 551.

rent proposals inadequate and counterproductive.

Document 546

Statement by the Representative at the United Nations (Kirkpatrick) Before the U.N. Security Council, May 25, 1983 [33]

Progress Report on Namibia

The events of this past weekend, in Pretoria and Maputo, [34] are a bloody reminder, if any was needed, of the consequences of violence, and of the very real potential that today exists throughout southern Africa for the further escalation of that violence. As is all too often the case, the victims of these most recent tragic events include many who were entirely innocent and blameless. The United States deplores such acts of violence, from whatever quarter, whether perpetrated in the name of change, or in opposition to it. Violence cannot solve the pressing problems of the region. On the contrary, by creating new victims, new grievances and new grounds for anger and hatred, such acts can only increase the danger of new and greater violence, in an ever escalating cycle. Ultimately, we must count among the wounded of these acts all those who seek and hope for peaceful change through negotiation and dialogue.

My government has for the past several years been seeking to assist the governments of the region to find peaceful ways to address and to resolve mutual problems. We have been encouraged by the purposeful high-level dialogue between Mozambique and South Africa, a dialogue which the events of last weekend must not be permitted to place in jeopardy. We have made known to both South Africa and Mozambique—and, indeed, to all governments of the region—our willingness to help. We have stressed our conviction that the problem of crossborder violence, if allowed to go unresolved, will seriously endanger prospects for both stability and peaceful change.

Let it be clearly understood that the United States deplores violent crossborder activities in southern Africa, in whatever direction and for whatever stated goal. Similarly, we categorically reaffirm the principle that all states have a duty to refrain from tolerating or acquiescing in organized activities within their territory by guerrillas or dissidents planning acts of violence in the territory of another state. There can be no double standard for southern Africa. Crossborder violence cannot be condoned, whether it be in the form of a bomb placed in a crowded square in Pretoria by externally based organizations, or of the continuing violation of Angola's territorial integrity by South African forces.

Mr. President, the Security Council also bears a solemn responsibility to uphold the principles of nonviolence and the settlement of disputes by peaceful means. Those principles are especially pertinent to the issue which this meeting of the Council has been convened to consider.

The United States welcomes the opportunity afforded by this meeting to participate in a review of the efforts that are being made to bring about the independence of Namibia, in accordance with decisions previously taken by the Council. As all are aware, the United Nations, and in particular the Security Council, bears a unique responsibility for furthering the interests of the people of Namibia and their aspirations for peace, justice, and independence. It has been two years since the Council last met to examine the question of Namibia, and it is therefore appropriate that it should wish to review what has transpired in the intervening period.

The participation in this debate of so many distinguished foreign ministers testifies to the importance and the urgency which the international community as a whole attaches to the attainment by the people of Namibia of their justly deserved and too long delayed independence. I especially welcome the presence here of the foreign ministers of the Front Line

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[33] Source: U.S. Mission to the United Nations Press Release USUN 41-(83); also printed in Department of State *Bulletin*, August 1983, pp 75-78.

[34] Reference is to the May 20 car bombing of the South African Air Force headquarters in Pretoria, in which 18 were killed and over 200 wounded. On May 21, the African National Congress claimed responsibility, and on May 23, 1983, South Africa launched airstrikes against alleged African National Congress positions in Maputo, Mozambique.

States,[35] with which governments of the Western Contact Group have enjoyed an active, constructive, and vital partnership in our efforts to hasten Namibia's independence.

Finally, I welcome this opportunity to report to you on the role that my government, in partnership with the other members of the Western Contact Group, has sought to play in helping to promote a peaceful, negotiated settlement for the earliest possible attainment of Namibia's independence.

Before doing so, however, I wish to pay a special tribute to the Secretary-General. I know first hand his deeply felt commitment to the attainment of Namibia's independence. I have been impressed by his dedication and objectivity, and have full confidence in his ability to carry out the responsibilities assigned to him under Security Council Resolution 435. I am also aware of the efforts he and his staff have made to ensure that all is in readiness for the day when agreement is reached for implementation of the U.N. settlement plan.

I also wish to thank the Secretary-General for his report,[36] which provides an accurate summation of what has transpired since the Council last met on this issue in April, 1981. It is not necessary to recapitulate what he has already set out. I would, however, like to recall the very different circumstances that prevailed at the time of that last meeting.

The tone and the outcome of that debate were very much a reflection of the widespread disappointment over the failure of the Pre-Implementation Meeting in Geneva to reach agreement on a date for the start of the ceasefire envisaged in Security Council Resolution 435. The preimplementation meeting ended only a few days before the administration, of which I am now a member, took office in Washington. It became one of the urgent tasks of the new American Government to assess, jointly with its Contact Group partners, the reasons for the failure of the Geneva meeting.

It would be fair to say that the new American Government was the recipient of a great deal of advice at that time. I will be frank in telling you that there were those who advised strongly against a continuing U.S. role in pursuit of a negotiated settlement of the Namibian problem. It was said that the obstacles to a peaceful settlement were too great to be overcome, and that the interests of the United States in the region did not justify the tremendous commitment of time and energy that would be required. Needless to say, those responsible for formulating the policies of this administration did not share these views. Although mindful of the great difficulties involved, they were also aware of the efforts that had already been made, and of the opportunity which existed to resolve through peaceful negotiations, this pressing issue. They were in this regard sensitive to the cardinal importance attached to Namibia's early independence by the nations of Africa. These goals, Mr. President, more than justified a rededication of efforts which the Contact Group had first undertaken four years earlier.

At the same time, we were anxious in our renewed approach to the problem to avoid, if at all possible, the frustrations of the past. We sought an approach that would not result in the same disappointment so keenly felt—above all by the people of Namibia—following the failure of the Geneva preimplementation meeting. With this firmly in mind, we undertook a fresh round of consultations, first with our Contact partners, and then with the other concerned parties: the Front Line States, the South African Government, SWAPO, and the Namibian political parties that would also participate in the U.N.-supervised elections envisaged in Resolution 435.

In the course of these consultations several facts became abundantly clear:

—First, we were assured of the interest and the desire of all those directly concerned that the negotiations should continue.

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[35] Reference is to the attendance at the U.N. Security Council meeting of Foreign Ministers Paulo Teixeira Jorge of Angola, Archibald M. Mogwe of Botswana, Joachim Alberto Chissano of Mozambique, Salim Ahmed Salim of Tanzania, Lameck K. K. Goma of Zambia, and Witness Mangwende of Zimbabwe.

[36] Reference is to U.N. Secretary-General Javier Pérez de Cuéllar's report concerning the implementation of U.N. Security Council Resolution 435 (1978) on the independence of Namibia. For the text of the report, see U.N. document S/15776, May 19, 1983, entitled *Further Report of the Secretary-General Concerning the Implementation of Security Council Resolutions 435 (1978) and 439 (1978) Concerning the Question of Namibia.*

—Secondly, it was clear that in the absence of a peaceful negotiated settlement leading to Namibia's independence, the situation of armed conflict and instability in the region would only worsen, with unacceptable consequences for all the inhabitants of the region.

—Finally, we were assured by those with the greatest stake in the success of the negotiations that the Contact Group had a continuing and important role to play in helping to bring about a peaceful settlement.

On the basis of this assessment, the foreign ministers of the Contact Group met in May of 1981 and decided to redouble their efforts to bring about a negotiated settlement. They reaffirmed their conviction that only a settlement under the aegis of the United Nations would find broad international acceptance, and that Security Council Resolution 435 continued to provide the basis for Namibia's peaceful transition to independence. Bearing in mind the difficulties that had arisen at the preimplementation meeting in Geneva, the Contact Group foreign ministers further decided to develop specific proposals that would address directly the concerns that had thus far prevented the implementation of Resolution 435. They considered that the purpose of these proposals should be to give all concerned greater confidence as regards the future of an independent Namibia.

Since the relaunching of their negotiating efforts in the spring of 1981, the members of the Contact Group have worked closely and intensively with all the parties concerned. It is a matter of the greatest regret to us, as I know it is to all of those here, that the promise of Namibia's independence has not yet been realized. At the same time, however, I believe it would be a mistake to discount the progress that has been achieved toward the implementation of Resolution 435 since the Council last met to review the situation.

—First, it is important to note that all parties concerned have reaffirmed their acceptance of Resolution 435. That resolution, and the settlement plan it endorsed, remains the only agreed and recognized basis for an internationally acceptable settlement of the Namibia question.

—All parties have committed themselves to constitutional principles which will serve as a guide to the elected Constituent Assembly in drafting a democratic constitution for an independent Namibia. This agreement, which was confirmed to the Secretary-General in July of last year [37] and which is noted in his report to the Security Council, has helped to reassure all those who will participate in the U.N.-supervised elections of the democratic future of an independent Namibia.

—Substantial progress has also been made in resolving the issues which were responsible for the unsuccessful outcome of the Geneva preimplementation meeting. In particular, through intensive consultations which took place in New York and Washington last summer, involving representatives of the frontline states, SWAPO, South Africa, and of the U.N. Secretariat, understandings were reached that will assure all parties to the elections of the fairness and impartiality of the process leading to Namibia's independence.

—Finally, through their own consultations with the parties concerned, the Secretary-General and his staff have made substantial progress in resolving outstanding questions concerning the composition and deployment of the military component of UNTAG. Here I would like once again to express our appreciation to the Secretary-General for the determined efforts he has made to ensure that all is in readiness for the implementation of the U.N. settlement plan.

Because of the substantial progress that has been made over the past 2 years, only two major issues remain to be resolved in preparation for the implementation of Resolution 435. These are:

—the choice of the electoral system to be employed in the elections, which all parties are agreed must be settled in accordance with the provisions of Resolution 435, and in a manner that does not cause delay; and

—final, technical matters concerning the composition of the military component of UNTAG.

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[37] Reference is to the submission by the Contact Group of the text of Principles for a Constituent Assembly and a Constitution for Namibia on July 12, 1982. For further information, see U.N. document S/15287.

Mr. President, while the United States is pleased with the record of what has been achieved over the past 2 years, we are by no means satisfied. Indeed, none of us can rest content until the goal which we seek has been attained. But the fact that much has been achieved justifies continued commitment to the course.

Apart from the specific accomplishments I have just mentioned there has been the development of an atmosphere of confidence which we hope will make it possible for the parties concerned to take the important political decisions necessary to go forward with the implementation of Resolution 435. We have been especially gratified by the constructive and flexible attitude displayed by the concerned parties, which has made possible the progress that has been achieved to date.

We share the concern that the factors relating to the regional situation in southern Africa, which are, however, outside the scope of the mandate of the Contact Group, have not yet permitted implementation of the U.N. plan. We believe that these issues should be resolved rapidly, in a manner consistent with the sovereignty of all states concerned, so that the people of Namibia can exercise their right of self-determination. The ministers have accordingly decided that the Contact Group should continue its work with all urgency.

We are convinced, now more than ever before, that with the continued good faith and cooperation of all concerned, our shared objective of a negotiated settlement leading to a stable, democratic, prosperous and independent Namibia will be realized.

Here, Mr. President, I would like to say a word about the role and the objectives of my government in these negotiations.

—I wish to stress above all that the United States neither desires nor seeks any special advantage or position for itself in these negotiations.

—It is not our intention, nor is it within our power, to impose our own views or wishes on those whose interests and aspirations are most directly involved.

—We fully respect the fact that the political decisions needed to proceed with the implementation of the U.N. settlement plan are sovereign decisions that can only be taken by the governments most immediately and directly concerned.

—Furthermore, we recognize that those who must take those decisions will wish to assure themselves that their own interests and security will be respected and protected.

—In the sometimes thankless role that we have assumed our sole objective has been to assist the parties in overcoming the difficulties that have to date prevented the implementation of Security Council Resolution 435 and the attainment of Namibia's independence.

—Finally, Mr. President, I wish to assure all those here assembled that the United States will continue to work for Namibia's transition to stable and prosperous independence once an agreement has been achieved. With other members of the United Nations, we are prepared to contribute a fair share to ensure the effectiveness of the U.N. Transition Assistance Group. We also stand ready to cooperate with others in providing the assistance that will be essential to giving all Namibians the opportunity to lead peaceful and productive lives.

Mr. President, I am keenly aware of the sense of frustration felt by members of this body because the aspirations of the people of Namibia have not been realized. We share that frustration, and we have sympathy for the people of Namibia, and the region, who suffer from the continuing conflict. We will not, however, allow our feelings of frustration to lead us to despair. Our common efforts will succeed. The only alternative to the continued, vigorous pursuit of a peaceful, negotiated settlement, is a more dangerous and ever more destructive escalation of the violence that the people of Namibia and those throughout the region have known too well too long.

Those of us who are priviliged to participate in the decisions of this body have a special responsibility to do all we can to help achieve Namibian independence peacefully and promptly. We are ready to work closely with other members of the Council, and with the parties concerned, to achieve such an outcome, which we know will also enhance the prospects for peace, security, and economic development throughout the region.

Document 547

Transcript of a Department of State Press Briefing, New York, May 26, 1983 (Extracts) [38]

Secretary Shultz's Meetings With African Foreign Ministers

JOHN HUGHES. I'd like to run through this is in chronological order. The Secretary began his sessions here this afternoon with a session with the Foreign Minister of Zaire, Mr. Kamanda. That meeting lasted from 4:30 to 5:05. The participants on the U.S. side were the Secretary of State, Ambassador Kirkpatrick, and Assistant Secretaries Crocker and Hughes. The Secretary complimented the Zairian Foreign Minister on the progressive steps his country had taken in connection with amnesty in the past few days, announcing amnesty for all political prisoners and saw this within the framework of other positive developments in Zaire. [39] There was then talk of U.S.-Zaire relations which both sides agreed were very good. There was some discussion of world affairs; that was followed by a discussion about U.S. aid to Zaire. The Secretary indicated that the administration would continue pushing for the amount of aid it considered appropriate to Zaire and would work in Congress to achieve those totals. They then got into discussion about Namibia and some discussion of the upcoming resolution on Namibia in the U.N. Security Council. The Secretary indicated that the United States was determined to work for an independent Namibia in terms of U.N. Resolution 435.

After that, the Secretary met with SWAPO leader Nujoma. That lasted from 5:10 to 5:40. The U.S. participants again were the Secretary of State, Ambassador Kirkpatrick, and Assistant Secretaries Crocker and Hughes. There was extensive discussion during that meeting on the future of Namibia. The Secretary once again underlined U.S. commitment to an independent Namibia and asked Mr. Nujoma to talk a little about the kind of independent Namibia he foresaw. Mr. Nujoma responded and gave remarks along those lines as had been requested. The Secretary again stressed that the United States wants to see the emergence of an independent Namibia and was committed to working toward that end.

The third meeting in the hotel was with the frontline states plus Nigeria. That meeting lasted from 6 until 7:10. On the U.S. side, the participants were the Secretary of State and Assistant Secretaries Crocker and Hughes. The frontline states, represented by their Foreign Ministers and their Permanent Representatives, were Tanzania, Botswana, Angola, Zambia, Mozambique, Zimbabwe, plus Nigeria. Again, there was general discussion about the issue of Namibia and once again, the United States reiterated its commitment to an independent Namibia. The Secretary said the United States felt a great deal of progress had already been made in this connection and that the remaining issues really were resolvable given the proper environment. He pointed out that as a matter of fact, as an observation, there was a connection between the sovereignty and security in the region. The facts were and are that there are foreign forces in Angola and there are non-Namibian forces in Namibia. There is violence in the area about which the United States is concerned. The Secretary again said that it was his feeling that the nub of the problem on Namibia was soluble if the surrounding environment in the region was made secure and the United States had an acute interest in working to help create the conditions—create the environment—which would enable countries in the region to be sovereign and secure and to undertake sturdy economic development. He said the United States was committed to dampening the cycle of violence in southern Africa and creating the climate of confidence which would permit the sovereignty, the security and the economic development which I already mentioned.

Q. Mr. Hughes, what sort of changes, if any, have there been that might have been indicated to the Foreign Ministers in terms of the U.S. position on—the linkage issues?

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[38] Source: Office of Press Relations, Department of State. John Hughes, Department of State Spokesman, conducted the briefing following Secretary Shultz's meetings with the Foreign Ministers of Zaire, Tanzania, Botswana, Angola, Zambia, Mozambique, Zimbabwe, and Nigeria. The Secretary also met with SWAPO leader Sam Nujoma.

[39] Reference is to the granting of amnesty to all political prisoners in Zaire on May 19, 1983.

MR. HUGHES. Well, the United States really wasn't discussing linkage. It was discussing security in the entire area, and that was the point that the Secretary was trying to make. He was not talking about Angolan troops alone. He was talking about all foreign forces in Angola, and he was talking about, obviously South African forces in Namibia, making the point that to get to the sovereignty, the security and the opportunity then to further economic development, clearly those forces of all characters have to eventually be withdrawn.

. . . . . .

Q. Would it be fair to characterize this as the beginning of a personal effort on the part of the Secretary of State to try to resolve that impasse?

MR. HUGHES. Well, the Secretary's been involved and the President's been involved, and the Secretary made that point in the meetings because the United States does have a commitment to the independence of Namibia, but it certainly is the first time the Secretary has seen Mr. Nujoma, for example, though I think Mr. Nujoma has seen a previous Secretary of State.[40] But they had not met. I suppose that was a first. And certainly these meetings, I think, this afternoon demonstrate the U.S. concern and commitment and specifically the Secretary's, yes.

. . . . . .

Q. Have the frontline states, though, seemed to relax their position on the removal of the Cuban troops from Angola? They say that's totally irrelevant.

MR. HUGHES. Well, I don't think I should speak for them. I think they can speak for themselves.

Q. Has the United States relaxed its position on that?

MR. HUGHES. It's not a question—the United States doesn't have a position, the United States has an observation. There are certain realities in play here and one of the realities is the presence of Soviet-Cuban military power in Angola and that's one of the realities observed by the South Africans, so it's not really the United States who is saying you have a situation; you have a reality and somebody has to work at that.

. . . . . .

Q. Was there any indication that the United States was expected to put more pressure on South Africa?

MR. HUGHES. Well, the United States isn't in the business of putting pressure on either side. The United States is in the business of trying to use its good offices to increase commitment on both sides to break through this impasse.

Q. When the talks were over, how did the Secretary feel about them? Was he pleased or was he frustrated, was he—

MR. HUGHES. I think that he felt that all three meetings were very worthwhile and constructive.

Q. Thank you. Thanks very much.

Document 548

Resolution 532 (1983), Adopted by the U.N. Security Council, May 31, 1983[41]

Security Council's Call For South Africa's Implementation of Resolution 435 (1978)

The Security Council,

Having considered the report of the Secretary-General (S/15776),

Recalling General Assembly resolutions 1514 (XV) of 14 December 1960 and 2145 (XXI) of 27 October 1966,

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[40] Reference may be to Secretary of State Henry A. Kissinger's meeting with Sam Nujoma in New York on September 29, 1976, or Secretary of State Cyrus Vance's meeting with Nujoma in Dar es Salaam on April 16, 1978.

[41] Source: U.N. Security Council Resolution 532 (1983). The resolution was adopted unanimously.

Recalling and reaffirming its resolutions 301 (1971), 385 (1976), 431 (1978), 432 (1978), 435 (1978) and 439 (1978),

Reaffirming the legal responsibility of the United Nations over Namibia and the primary responsibility of the Security Council for ensuring the implementation of its resolutions 385 (1976) and 435 (1978), including the holding of free and fair elections in Namibia under the supervision and control of the United Nations,

Taking note of the results of the International Conference in Support of the Struggle of the Namibian People for Independence, held at UNESCO House in Paris from 25 to 29 April 1983, [42]

Taking note of the protracted and exhaustive consultations which have taken place since the adoption of resolution 435 (1978),

Further noting with regret that those consultations have not yet brought about the implementation of resolution 435 (1978),

1. *Condemns* South Africa's continued illegal occupation of Namibia in flagrant defiance of resolutions of the General Assembly and decisions of the Security Council of the United Nations;

2. *Calls upon* South Africa to make a firm commitment as to its readiness to comply with Security Council resolution 435 (1978) for the independence of Namibia;

3. *Further calls upon* South Africa to cooperate forthwith and fully with the Secretary-General of the United Nations in order to expedite the implementation of resolution 435 (1978) for the early independence of Namibia;

4. *Decides* to mandate the Secretary-General to undertake consultations with the parties to the proposed cease-fire, with a view to securing the speedy implementation of Security Council resolution 435 (1978);

5. *Requests* the Secretary-General to report to the Security Council on the results of these consultations as soon as possible and not later than 31 August 1983;

6. *Decides* to remain actively seized of the matter.

[42] Reference is to the U.N. Conference on Namibia, held in Paris, April 25–29, 1983, in which the United States was criticized for linking Namibian independence with the withdrawal of Cuban troops from Angola. The United States, although represented by an observer at the conference, was not a party to its decisions.

Document 549

Statement Issued by the Contact Group on Namibia, Paris, June 8, 1983 [43]

Contact Group's Endorsement of the Security Council's Reaffirmation of Resolution 435 (1978)

In continuation of the meeting we had at Williamsburg, the Foreign Ministers of Canada, France, the Federal Republic of Germany, the United States, and the Political Director of the United Kingdom representing the British State Secretary for Foreign and Commonwealth Affairs [44] met to pursue the efforts to achieve an early settlement of the question of Namibia in accordance with U.N. Security Council Resolution 435.

They welcome the constructive spirit in which the recent Security Council debate was conducted. In particular, they noted that the spirit has made possible the unanimous adoption of Security Council Resolution 532. [45] They welcomed, in addition, the Security Council's reaffirmation of Resolution 435 as a basis for the settlement of the conflict on the mandate given to the Secretary General to undertake

[43] Source: Department of State *Bulletin*, August 1983, p. 13. The statement was issued by the Contact Group following their meeting in Paris on June 8, 1983, and was made available to news correspondents by Department of State Acting Spokesman Alan Romberg at the Department of State Daily Press Briefing on June 10, which began at 12:25 p.m.

[44] Secretary of State George P. Shultz; Foreign Minister Claude Cheysson of France; Minister of State for External Relations Allan J. MacEachen of Canada; Foreign Minister Hans-Dietrich Genscher of the Federal Republic of Germany; and Political Director of the United Kingdom Sir Julian Bullard.

[45] *Supra.*

consultations with a view to its speedy implementation. The Secretary General may count on their final support.

In view of the increasing violence in southern Africa, they agreed that it is more necessary than ever for all concerned to promote a peaceful solution. They reaffirmed in this respect their intention to pursue their efforts to this end.

Document 550

Transcript of the Department of State Daily Press Briefing, June 8, 1983 (Extract) [46]

"The United States Rejects Both the Status Quo of Apartheid and the Use of Violence"

. . . . . .

Q. Also, do you have anything with respect—has the United States transmitted anything to the Pretoria Government with respect to the executions that are scheduled for tomorrow morning?

A. I have a guidance which goes back to yesterday, which I think I would want to use rather than trying to talk specifically about anything we might be doing directly with the government. Let me just make a statement for you in response to your question.

The Department has taken note of the announcement that the State President of South Africa has commuted the death sentences of three self-proclaimed members of the African National Congress—the ANC—convicted of taking part in activities in which no one was killed, but denied the clemency appeals for the three who were convicted of murder. [47]

The latter three were convicted of participating in attacks against South African installations which resulted in four deaths. They had waived their right to appeal their convictions and applied directly for clemency, which has now been denied.

The United States voted on December 7, 1982, in favor of U.N. Security Council Resolution 525 which urged the Government of South Africa to commute the death sentences of the three. In accordance with U.N. Security Council Resolution 525, the United States made known its concern to the South African Government regarding the six South Africans condemned to death. [48]

In the wake of the car bomb attack in Pretoria, in which 18 were killed and 200 injured, responsibility for which was subsequently claimed by the ANC, and the South African attack on Maputo, Mozambique, [49] the United States calls on all parties to the conflict in southern Africa to halt the growing cycle of violence and to dedicate themselves to the pursuit of peaceful resolution of the problems of the region.

The United States rejects both the status quo of apartheid and the use of violence as a means to bring about change or resolve problems. We do not believe that further deaths will contribute to a resolution of the problems of southern Africa.

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[46] Source: Office of Press Relations, Department of State. Alan Romberg, Department of State Acting Spokesman, conducted the briefing which began at 12:25 p.m.

[47] On June 6, 1983, President Marais Viljoen of South Africa announced that three of the six African National Congress members convicted of attacks against South African installations would have their sentences commuted from death to life imprisonment. They had been involved in attacks in which no one was killed. The three remaining members, Thelle Simon Mogoerane, Jerry Semano Mosoli, and Marcus Thabo Motaung, who had taken part in attacks where deaths occurred, were hanged in Pretoria Prison on June 9.

[48] U.N. Security Council Resolution 525 was adopted on December 7, 1982.

[49] See document 546.

Document 551

Prepared Statement by the Deputy Assistant Secretary of the Treasury for Trade and Investment Policy (Cornell) Before a Subcommittee of the House Banking, Finance and Urban Affairs Committee, June 8, 1983 [50]

South African Restrictions

I appreciate the opportunity to provide the Treasury Department's views on the proposed Solarz amendment to the Export Administration Act. [51] We oppose this proposed legislation on four broad grounds.

First, the provisions would be contrary to the administration's policy of constructive engagement with the South African Government, as Deputy Assistant Secretary of State Wisner explains in some detail in his statement.

Second, we favor minimum government interference with market decisions. Restrictions on bank lending or on the freedom of Americans to buy gold coins would be inconsistent with this approach. The mandatory code of employment conduct would vastly expand government controls on American firms. Restrictions against krugerrand imports may in addition be illegal under the General Agreement on Tariffs and Trade (GATT).

Third, restrictions on U.S. bank lending to South Africa could be viewed both at home and abroad as evidence of U.S. readiness to use capital controls for political ends. This could erode international confidence in the freedom to invest in the United States and in the security of foreign investments in this country, and thus impair the credibility of our international monetary and financial policies. Applying the restrictions to foreign subsidiaries of U.S. financial institutions could also bring the operation of these institutions into conflict with the laws of third countries, creating foreign resentment about—and damaging retaliation against—what would be considered to be the extraterritorial reach of U.S. legislation.

Finally, the proposed measures would likely be ineffective in imposing significant costs on South Africa, since South African entities could obtain bank loans and investment funds from other countries. Americans would still be able to purchase and hold krugerrands abroad, and South African gold could be imported as part of the content of other foreign gold coins and gold bullion.

Since the statements by Deputy Assistant Secretary of State Wisner, Deputy Assistant Secretary of Commerce Dennin, [52] and Vice-Chairman Lord go into detail on foreign policy considerations and on the proposed mandatory code of conduct, my detailed comments will be devoted to the proposed restrictions on bank lending and the prohibition of krugerrand imports. I should point out, however, that Section 104 of H.R. 1693 (sanctions for noncompliance with the code of conduct) would conflict with the 1946 income tax treaty with South Africa [53] by its denial of U.S. income tax credits for taxes paid to the South African Government.

The Treasury has strong objections to Section 201 of Title II, which would prohibit U.S. banks and other financial and lending institutions operating under the laws of the United States (including insurance companies) from making any loan, directly or through a foreign branch or subsidiary, to the South African Government or to any corporation, partnership, or other organization owned or controlled by the South African Government. These provisions interfere with the free movement of capital, in effect imposing discriminatory exchange controls.

Imposition of exchange controls on U.S. loans to South Africa would be unlikely to prevent South Africa from obtaining foreign credits. Capital is fungible. South Africa could increase its demand for loans from other countries, which could then borrow the needed funds in the United

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[50] Source: *South African Restrictions: Hearing Before the Subcommittee on Financial Institutions Supervision, Regulation and Insurance of the Committee on Banking, Finance and Urban Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 168–170.

[51] See footnote 28 above.

[52] For the statements of Deputy Assistant Secretary of State for African Affairs Frank G. Wisner II and Deputy Assistant Secretary of Commerce for Africa, the Near East and South Asia Joseph F. Dennin, see *South African Restrictions*, pp. 146–149 and 175–182, respectively.

[53] Reference is to the double taxation income tax treaty with South Africa of December 13, 1946. For text, see 3 UST 3821.

States. We would then continue *indirectly* to finance South African credits. Outstanding loans to South Africa from commercial banks in the major industrialized countries total $14.1 billion (end June 1982 data). Of this, claims on South Africa by U.S. banks and their foreign branches total about $3.7 billion (June 1982 data), including some $620 million owed by South African public borrowers, including state enterprises. Much of the U.S. bank lending to South Africa probably finances U.S. exports, i.e., consists of trade financing.

This form of U.S. Government intervention, which would apply the rules to foreign subsidiaries, could bring the operation of U.S. owned financial institutions into conflict with the laws of third countries. This would add to foreign resentment about what is considered the extraterritorial reach of U.S. legislation. It would almost certainly invite foreign retaliation against the United States and U.S. investors.

The imposition of restrictions on the importation of krugerrands proposed in this bill may violate U.S. international obligations under the General Agreement on Tariffs and Trade (GATT). A prohibition of imports from an individual country, such as South Africa, would normally be considered a discriminatory trade measure under the GATT. It could leave the United States open to a complaint in the GATT from South Africa, and the possibility of GATT sanctioned countermeasures by South Africa. The GATT does permit the adoption of measures, under Article XX, relating to the importation or exportation of gold or silver, if they are not applied "in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where the same conditions prevail." Because the proposed bill would apply only to imports of South African gold coins, and not to all gold coins, the proposed restrictions would appear to be arbitrary or unjustifiable discrimination. There is no GATT case law, however, explaining the meaning of this phrase, and how the exception to normal GATT law, contained in Article XX, is to be applied. Even if the U.S. discrimination were found to be justified, however, South Africa may be able to make a GATT case which would permit it to retaliate against imports from the United States under GATT provisions.

The proposed ban on imports of South African gold coins would probably not result in a corresponding reduction in U.S. gold demand or imports of foreign gold. Americans would still be able to purchase and hold krugerrands abroad, and new marketing efforts could be developed in an effort to get Americans to do so. Americans might also switch from buying krugerrands to purchasing coins and gold pieces of other countries. South Africa would still benefit after such switching, since gold for the production of most foreign coins is purchased in the market to which South Africa supplies about two-thirds of newly mined non-Soviet gold.

In the final analysis, a ban on U.S. krugerrand imports would affect South African earnings from gold sales only to the extent that such a ban would have an impact on gold prices generally. It has been the policy of South Africa to sell all its gold production, either in the form of bullion or coins, and not to vary this production significantly. If Americans switched to buying krugerrands abroad or to foreign coins produced by gold purchased in the world gold market, the overall demand for gold would not be changed and the price would not be affected. If the U.S. demand for coins fell, South African bullion sales would rise as krugerrand sales fell, leaving the quantity of South African gold sales unchanged. The lower demand would, however, tend to lower the price received by all gold producers, including South African. Finally, if Americans were to switch to purchasing coins and medallions minted from official reserves rather than new production, the price of gold would also tend to decline, because of the increase in supply.

Any downward pressure on gold prices consequent to a U.S. ban on krugerrand imports is not likely to be strong. Even in the extremely unlikely event that the demand for South African gold fell by the full equivalent of recent annual U.S. imports of about one million ounces of krugerrands, this would be small relative to the 40 million ounces of new gold supplied to the market last year. The effect on gold prices, and on the value of South African gold exports, would not be large.

In summary, Mr. Chairman, we oppose this sort of legislation not only in principle, as a departure from traditional U.S. external economic policies, but also on practical grounds. We think, for the rea-

sons outlined, that it will not have the intended effect; but, more important, we believe that, while failing in its intended effect, it will be counterproductive and costly to U.S. exporters, U.S. workers, and U.S. investors. In an interdependent world where money and capital are fungible and where the U.S. has viable, serious competitors, countries which are the intended targets of such legislation can get what they want from those competitors. Thus, the intended political and economic effects are not achieved, but heavy costs are borne by U.S. citizens for no demonstrable reason.

Document 552

Transcript of a Department of State Press Briefing, June 23, 1983 (Extract) [54]

Under Secretary Eagleburger's Speech: A Summation of U.S. Policy on Southern Africa

Q. Is there any shift of nuance or flavor or policy in what linkage the administration is drawing between the Cuban troops and the Namibians, a withdrawal from Namibia by South Africa?

SENIOR OFFICIAL. No shift.

Q. You don't then mean to deemphasize your position that there should be a parallel withdrawal of the Cubans, or at least a commitment to draw the Cubans from Angola as the South Africans make their commitment to withdraw from Namibia?

A. No, there's no change in the basic situation. Obviously, the negotiation has moved along since the last time we had a major speech. [55] This is the highest level speech on this subject during the course of this administration, and the most pulling together of all the threads of our policy in southern Africa, but there is no change on that issue.

Q. The South Africans say that they can't leave Namibia until the Cubans leave Angola and the Angolans say the Cubans can't go because they have an insurrection in the south of the country which the South Africans and I believe the Israelis are supporting with arms and which we're giving moral support to since we've had their leader here and given him an honored reception. [56]

Isn't this a sort of Catch-22 permanent situation? Aren't we partly responsible for the nonresolution of the problem?

A. If this problem is resolved, as we hope it will be, it'll be largely because of efforts; not that we are the obstacle to the effort.

Q. What is our attitude, then, to the UNITA insurrection, which is the reason for the Cubans?

A. Our position is that the initiative that we have taken there provides the basis for the independence for Namibia, and, if that is successful, will lay the basis for a return to peace and an end to the civil conflict, in fact, in Angola.

It is not a Catch-22, but the situation that exists between the parties inside Angola is not part of this negotiation. That's a matter for Angolans to resolve.

Q. But what is the U.S. attitude to UNITA, then?

A. As we have said before, UNITA is a credible nationalist force, an important element of the Angolan political equation. But the way in which various Angolan parties achieve internal peace is their affair, and it is an internal Angolan matter.

Q. You say negotiations are moving along regarding the Cuban issue. Are we getting any closer? Can you point to any particular progress that we're going to resolve that in our favor soon?

A. We believe that there is a positive evolution in this negotiation, but we're not here today, and this speech is not pegged upon any dramatic, new announcement that we're in a position to

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[54] Source: Department of State files. The briefing, which was conducted on background by a senior Department of State official, began at 3:40 p.m.

[55] Reference is to Eagleburger's address, *infra*.

[56] Reference is to UNITA leader Jonas Savimbi's visit to the United States in December 1981.

make. But we believe that in the wake of the visit here in April of a senior Angolan team, [57] that there has been further evolution. We remain in contact, and when we have announcements to make, we will.

The speech is designed to put that initiative, and other things we're doing in southern Africa, in a broader context to pull together all the elements of our southern African strategy that have been developed and put in place over the past 2 1/2 years, and to make clear how the pieces fit together with each other; and to indicate that constructive engagement is a regional approach to all the countries of the area, and not just something defined in terms of Namibia, for example.

Q. Why was the decision made at this time to deliver this speech to, as you say, pull together all the threads?

A. In part because we have over the past 2 1/2 years set some things in place, both as concerns our policy toward South Africa, our support for constructive change in South Africa, our effort to get dialog going between South Africa and a number of its neighbors, our efforts to communicate at the highest level with a number of leaders of the area at the head-of-state level.

We have also moved the 435 process on Namibia to the point where it is ready to be implemented, provided we can get the basis for a political decision to go forward with it. So the time is right.

In addition, we have the perception, from time to time, that there are those who misconstrue some of what we're doing in the area. We felt the time had come for a major statement of the coherence of our approach to the region as a whole.

Q. Is it fair to say, then, that you feel that your policy is now in place in southern Africa after 2 years of implementing it?

A. Yes, indeed, we would.

Q. What are the prospects for getting an agreement this year?

A. I'm not going to give you percentages. We obviously think this is a going negotiation; that it has a good chance of success, but, beyond that, I don't think we want to try and put bets on the table.

Q. In the speech, . . . link the Namibian situation with the President: "The President is committed to Namibia's independence." Is there any special significance in linking that with the President?

A. I think, as the opening paragraph of the speech made clear, this is a region, southern Africa, which is of growing importance to Western and to U.S. interests. The President has himself been involved from the early days of that negotiation in laying the basis for the policy. It is, obviously, in our interest as we seek to become something we have not always been—a credible actor vis-à-vis all the key parties in the region, to make sure the President stands behind this effort, that he is interested in this effort, and that he considers this an important initiative.

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Document 553

Address by the Under Secretary of State for Political Affairs (Eagleburger) Before the National Conference of Editorial Writers, San Francisco, June 23, 1983 [58]

Southern Africa: America's Responsibility for Peace and Change

I am grateful for this opportunity to speak to you who are so involved in helping to shape this nation's consideration of critical choices. I have come to speak to an issue that has occupied an important place on this administration's agenda—an issue of common interest to the Western world: an issue central to international stability.

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[57] Reference is to Angolan Interior Minister Manuel Alexandre Duarte Rodrigues' visit to Washington, April 13–14, 1983, to discuss Namibia and Cuban troops in Angola. Rodrigues met with Secretary of State Shultz, April 13, and Vice President Bush, April 14.

[58] Source: Department of State files; also printed in Department of State *Bulletin*, August 1983, pp. 8–13.

From this podium, spokesmen from the several administrations of recent times have addressed the responsibilities which the United States bears for the great crisis areas of the globe—Europe, the Middle East, Asia, Latin America. Tonight I invite you to join me in considering what is at stake in southern Africa, and what role we can play in shaping that region's future. My message is not an easy one: It is a message of responsibility—responsibility for the use of American influence and power in dealing with a question of substantial and growing national interest.

I do not have to tell this audience that there is a crisis in southern Africa. Nearly a decade ago, as we stood mesmerized by our engagement in Southeast Asia and by escalating warfare in the Middle East, Portugal's empire in Africa collapsed. In its wake, southern Africa's conflicts, rooted as they were in longstanding struggles for decolonization and racial equality, became world issues—issues that would engage our national interests and test our resolve. Angola became an area of intense civil strife and contest between the Soviet Union and the West, the war for Zimbabwe's independence intensified, Mozambique was caught up in regional conflict, and the struggle for change in South Africa assumed more violent and polarized forms. Wars which had been more or less contained within national boundaries spread across frontiers, and the cycle of violence which has come to plague the region, took root.

In retrospect, Western indifference to change in southern Africa played a part in creating this situation. As a nation we were not well equipped to deal with the region. Our involvement had been superficial; we knew little of its actors or its dynamics. Our body politic was polarized. The left was transfixed by the issue of racism, while the right was too often prepared to interpret events only in the light of the East–West competition. In spite of these domestic divisions, three administrations have attempted to catch up with fast moving events, define our national interests, and decide how to use our influence.

The divisions of the past, I regret to say, still linger. There are those who would assure our irrelevance. As we meet here tonight, voices in our Congress, media, and public call for punitive measures against governments which do not please us—banning bank loans to South Africa or krugerrand imports from South Africa, denying access to the stabilization programs of the International Monetary Fund or escalating petty trade controls, banning food aid to Mozambique or development assistance to Zimbabwe. Others repeat the slogans of liberation, while denying us the ability to add an ounce of political will or diplomatic investment to solving the region's problems. At a time when we need all the leverage available to us, some argue for disinvestment and escape. They confuse the making of statements with the ability to influence events.

There are those outside Africa whose motives are more cynical. They are the advocates of violence, who would turn the landscape of southern Africa into an enlarged version of Lebanon, with the sovereignty, independence, and economic viability of the states in the region subordinated to a battle between South Africa and its neighbors. These forces would welcome such an outcome, since it would present new opportunities for neocolonial exploitation. They are more than willing to shed African blood and to supply copious quantities of weapons, even though they know violence cannot create anything of value in southern Africa. Violence, for these outsiders, is not a means to achieve national self-determination or to end apartheid. Rather, it is an end in itself, a political vehicle to enhance external influence and permit the political and ideological subjugation of independent Africa. The United States, on the other hand, proceeds from the conviction that our national interest and the interests of the West demand an engagement—constructive and peaceful—in the affairs of southern Africa. The United States is, I believe, uniquely situated to speak to all sides in the conflict.

The region has enormous potential—positive and negative. Historically it is a zone of Western influence and has been so for three hundred years. But direct Western control has ended. Decolonization, peaceful and violent, left a legacy of weak institutions, conflicting nationalisms, fear and loss of confidence in any reliable hand.

The implications are clear. If we wish to shape events, we must be prepared to take initiatives, make investments, support those things we believe in, build institutions and bridges. We must, in short, be involved. And we must, as well, be pre-

pared to oppose those from outside Africa who claim a right to violent intervention.

To succeed in southern Africa, we must define a coherent regional strategy. Apart from Namibia, we are talking about a community of sovereign states. Southern Africa is interdependent economically in its infrastructure, its populations, markets, its natural links and to an important degree in its external orientation. The region, unfortunately, suffers from a current and aggravated temptation to depend upon the instruments of violence.

One way or another the states of southern Africa have to evolve explicit or tacit ground rules for cooperation and coexistence, for the alternatives are all too obvious. Both South Africa and the independent African states to its north have enunciated at different times a vision of coexistence. Regional coexistence, the only path to peace and stability, has an additional meaning. Unless there is peace and stability in southern Africa, it will prove impossible to encourage essential change in South Africa—and by change I mean a basic shift away from apartheid.

At present, the issue of Namibia, and South Africa's continuing control there, the presence of Cuban forces in Angola, and the practice of harboring guerrillas and dissident movements to strike at targets across borders, pose severe challenges to regional security and Western diplomacy. As a region, southern Africa contains parallels to the tragedies of the Middle East. A cycle of violence has begun: unless it is reversed the interests of the region and the West will be severely damaged. If southern Africa is at war, the consequences for South Africa will be clear: increased spending on war; reduced political will for addressing the domestic agenda of negotiated, evolutionary change; and a heightened polarization of attitudes that can only distort the internal South African debate about the means and forms of change. Similarly, if the region is at war, the economies and institutions of the neighboring African states will be undermined, distorted, and perhaps destroyed. No amount of Western or international support and solidarity with these states will be productive if the politics of development and coexistence continue to be subordinated to the politics of survival and war.

It is for all these reasons that this administration has committed its prestige and energy to defining a regional strategy and using our influence to shape events. The undertaking has several aspects which, taken together, are directed at encouraging enhanced regional security, economic development, and peaceful change.

Namibia

The quest for Namibia's independence remains for this administration, as it was for our predecessors, a key object of American diplomacy. The unresolved status of Namibia creates a dangerous vacuum in the area and serves as a magnet for violence and external meddling. Namibia remains Africa's last colony, and a focal point of the continent's and the nonaligned world's attention. Its people suffer from war and outside domination. The United States long ago accepted responsibility for helping to secure Namibia's independence; we have, since then, made a considerable contribution toward achieving that goal. Under President Ford we defined the first procedure for a peaceful move to independence. Under the Carter administration, we joined with our allies—France, Canada, Great Britain, and Germany—in negotiating U.N. Security Council Resolution 435, a document of seminal importance which defines how transition to independence under U.N. authority will occur.

During the Reagan administration we have faced squarely the need to secure conditions which will make it politically possible for South Africa to relinquish its position in a territory it has controlled since 1916. [59]

We inherited a stalemated negotiating process. Since that time, we and our allies, working through what we call the Contact Group, have elaborated constitutional principles to guide the framers of the constitution for an independent Namibia. We have successfully resolved a series of troublesome issues related to the role of the United Nations. The fruits of this intensive diplomacy are impressive. Through sustained and coordinated effort with our allies, the frontline states and SWAPO, the South Africans, the internal Namibian parties, and the U.N. Secretary-General and his officials, we have virtually all ele-

[59] South Africa seized the territory from Germany in 1915 during World War I.

ments in place for the implementation of Resolution 435.

There is, admittedly, some frustration over the time it has taken to move as far as we have. But these are complex and delicate questions which have required months of quiet negotiation. There is, today, virtually unanimous agreement on the basis for resolving this intricate and important problem. We are at the point where the transition to independence can begin as soon as the key parties are prepared to take the necessary political decisions.

Angola

With the Government of Angola we have undertaken a separate but parallel negotiation which, if successful, will provide for the departure of Cuban forces, thus opening the way to a South African decision to implement the international agreements so painstakingly developed on Namibia's transition to independence—while setting the stage for peace in Angola itself. In a year and a half of talks, we have sought to build confidence in our objectives, and to establish a principle of broad applicability to the region at large.

That principle is reciprocity. Progress in the area can be achieved only if all parties make a contribution, and only if the security and sovereignty of each is respected. South Africa must leave Angola's southern provinces and it must leave Namibia. Angola, on the other hand, can make such steps possible, while remaining true to its principles, by assuring, as a separate sovereign act, the withdrawal of Cuban combat forces from its territory.

The position of the United States is clear. The President is committed to Namibia's independence. He wants to assist in creating a peaceful and independent Angola in a peaceful and prosperous region. He is prepared to use his full influence to achieve these ends.

A Framework For Regional Security

The quest for peace in southern Africa does not stop with Namibia and Angola. Our diplomacy has consciously sought broader regional security. We have moved to rebuild our relations with strife torn Mozambique. We have responded to Mozambique's difficult economic circumstances with food aid and will shortly send an ambassador there. We have pressed for dialogue between South Africa and Mozambique, and an end to cross-border violence. Our efforts have been rewarded with two rounds of talks at ministerial level between the governments, and a commitment to a continued search for understanding despite the pressures of recurring violence. The dialogue is fragile, but we will continue to do what we can to foster it.

Similarly, between South Africa and Zimbabwe and South Africa and Lesotho we have quietly urged patience, restraint and dialogue. Here again our efforts have achieved a measure of success. But I repeat, the framework is new; it is vulnerable and only through good will and reciprocal undertakings will it survive.

This concept of regional security in southern Africa rests on several key premises:

—First, we are talking about sovereignty. Apart from Namibia, the region consists of sovereign states which recognize the rights and obligations of that statehood. Respect for international boundaries and renunciation of the use of violence across them are central to any framework for international security. There can be no double standards for either South Africa or its neighbors. The obligations of statehood, in southern Africa as elsewhere, are basic and reciprocal.

—Second, the United States categorically reaffirms the principle that all states have a duty to refrain from tolerating or acquiescing in organized activities within their territory by guerrillas or dissidents planning acts of violence in the territory of another state. This applies equally to South Africa and its neighbors.

—Third, regional security cannot rest solely on the activity, the vision, or the influence of outsiders. Our task is not to impose a structure of security. The structure must rest on regional realities, mutual interests, and direct channels of communication. Our role is to foster a climate conducive to building it. We have made a beginning by stressing our readiness to work for reduced violence, to facilitate contact and communication, to build bridges and to serve as honest broker. To be effective, our stance must rest on a capacity to speak credibly to all states. We are uniquely qualified to play this role and we intend to play it. But it is

up to the governments directly concerned—in South Africa, Mozambique, Zimbabwe, Lesotho, Botswana, Zambia, and others—to make the basic choice between the temptations of violence and the challenge of coexistence.

—Fourth, we recognize that it is not realistic to speak of regional security without reference to the domestic political dimension of coexistence between states. The dilemma we face is that peaceful domestic change in southern Africa and regional security are both urgently needed if the risks of growing international strife are to be avoided.

In South Africa, about which I will speak further in a moment, the imperative of peaceful change is domestic; South Africa has enjoyed sovereign statehood for over 70 years. Yet, a structure of regional stability in southern Africa is unlikely to take root in the absence of basic movement away from a system of legally entrenched rule by the white minority in South Africa. By the same token, peaceful change toward social justice and equality for all South Africans is unlikely to happen in a regional climate of escalating strife and polarization.

In Namibia, we and our Contact Group allies are working effectively as a matter of highest priority to bring about negotiated peaceful change to internationally recognized independence. Success would directly benefit in many ways our goals of building regional security, addressing the issue of cross-border violence and foreign intervention.

The Dimensions of U.S. Regional Involvement

There are those who see in southern Africa's political tensions an opportunity for the West to identify the good guys and the bad guys and then to align itself accordingly. Others argue that the United States cannot maintain constructive ties based on principle and mutual interest with both South Africa and its African-ruled neighbors. Our policy of constructive engagement rejects simplistic stereotypes based on race and ideology as inadequate guidelines for U.S. policy. From the outset of this administration, we have signaled our hope for constructive relations with all governments in southern Africa. No regional state or external power can or should define our relations for us.

Accordingly, if we are to be effective in this region, we must maintain a balanced policy that is relevant to its needs and that fully reflects its diversity and divisions. Politically, we seek to bolster those whose development policies and external actions warrant that support. But we have also consciously held out the option to others to diversify their external orientation and to pursue closer economic ties with the West. Our cooperative diplomacy on Namibia has brought us into intensive contact with the frontline states, a grouping that spans a wide range of African political choices—some of them still evolving. Vice President Bush's travel last November to Zimbabwe, Zambia, and Zaire—and return visits here by their leaders—enable us to nurture these important ties. Our substantial commitment to the success and health of newly independent Zimbabwe is another dimension of our effort to help this strategically important region find stability and growth. While Zimbabwe faces serious difficulties, its leadership has committed itself to the principles of political reconciliation and a mixed economy. Because of its key geographic position and relatively strong economic base, it is important that Zimbabwe not fail as a new nation.

Economically, some 25 percent of U.S. bilateral assistance to sub-Saharan Africa goes to southern African states, six of which are land-locked. Though rich in minerals and human potential, most states of the area share to a greater or lesser degree in Africa's current economic crisis.

As part of our effort to deal with the region's economic crisis, we are working to support Zambia's efforts to restructure its economy and stimulate its promising agricultural sector. The recent visit of President Kaunda to the United States and subsequent intensive consultations have given impetus to this process.

Southern Africa's current drought—the worst in decades—represents a serious challenge to economic security and human well-being in the region. After careful review of this potential food disaster, we have recently increased by $25 million our P.L. 480 food aid programs for affected nations, beyond the $79 million for FY 83–84 already programed.[60] Over the

[60] On June 10, 1983, the United States announced that it would release an additional $25 million in food aid to drought-stricken southern Africa.

longer term, even as political tensions threaten to divide southern Africa, there are potent factors of geography, history and economics that pull these states together. Transport links, the pattern of interstate boundaries, and the natural flow of goods and people all point in the direction of regional cooperation. We are supporting the regional efforts in transport and food security of the Southern African Development Coordination Conference (SADCC), while also quietly urging South Africa and its neighbors to maintain pragmatic trade and customs agreements based on mutual benefit.

South Africa

It is essential that South Africans get on with the business of deciding and shaping their own future. The political system in South Africa is morally wrong. We stand against injustice, and therefore we must reject the legal and political premises and consequences of apartheid. Indeed, it is increasingly recognized as impossible to maintain by a growing number of South Africans of all races.

We reject unequivocally attempts to denationalize the black South African majority and relegate them to citizenship in the separate tribal homelands. We do not and will not recognize these areas. All Americans are repelled by the sight of long-settled, stable black communities being uprooted and their inhabitants forcibly removed to barren sites in far away "homelands" they have never seen before. Neither can we countenance repression of organizations and individuals by means of administrative measures like banning and detention without due process of law.

By one means or another, South Africa's domestic racial system will be changed. Black South Africans will gain fuller participation in all aspects of South African society and politics. Our policy is directed, therefore, not at whether a nonracial order is in South Africa's future or what the shape of that nonracial order will be, but how that nonracial order will be arrived at. Western policy toward South Africa today must focus on how various black groups acquire the basis and influence necessary to participate in a genuine bargaining process that produces change acceptable to all. The future of South Africa depends on those who participate in shaping it. A peaceful process of change depends on support from those who reject, as we do, both alignment with the current racial order, and violence as a means of ending it.

We believe that South African and U.S. interests are best served by encouraging the change that is now underway in South Africa. We are committed to strengthening the capacity of black South Africans to participate in their country's society as equals—economically, culturally, and politically. It is our view that such "power to participate" can only be made—it cannot be taken. This is not and cannot be a zero-sum game, since power taken by force, or a revolutionary upheaval, will likely leave little worth fighting over.

American efforts should, therefore, concentrate on positive steps which back constructive change and those who are working for it. We applaud the steps which are being taken to expand home ownership opportunities, trade union rights, and access to education. The structure and substance of apartheid is inevitably affected as education budgets grow dramatically and blacks find new opportunities and new influence as workers and consumers. The recent South African court decision to confirm urban residency rights of blacks is an important development.[61] Equally, the findings of the de Lange Education Commission underline the necessity of a sustained expansion of opportunity on a basis of greater equity. The commission's findings and recommendations deserve recognition and support.

South Africa retains an independent judiciary and a distinguished bar—two institutions which tie it to the finest traditions of Western democracy. Indeed, the rule of law is for South Africa, as for any country, a precious inheritance. In recent years the power of the court has been circumscribed by new acts of parliament and police practices which remove from the courts the ability to review executive action. Nowhere is this more apparent than in the system of detention, where the right of access to those in the hands of the police has been limited. Such a system leads to abuse. There are few things Americans should be prouder of than the rule of law in our society. Similarly, we admire efforts by South Africans to retain an independ-

[61] On May 31, 1983, the South African Appeals Court ruled unanimously that migrant workers who held jobs in South Africa for 10 consecutive years were entitled to permanent residence with their families in black townships.

ent judiciary. Those who work to rebuild the rule of law are forging anew South Africa's more important links to Western democracy. We wish them well.

Our policy—constructive engagement—supports those inside and outside of government in South Africa, who are committed to peaceful change away from apartheid. Our support is both tangible and political. It is essential that we in the West, who have the most to offer toward peaceful change and much to lose if it fails, send an unambiguous message to the people of this increasingly important country. The message is, first, that we agree with those South Africans who recognize that change is imperative and, second, that we are determined to permit them the opportunity to shape and define that change free of the threat of foreign intervention. Constructive engagement seeks to support trade unionists, students, entrepreneurs, government leaders, cultural-political movements, civic associations, and religious organizations which, through their commitment to peaceful change away from apartheid, can help make a better future for all citizens of South Africa. Such groups and individuals must prosper if there is to be multiracial bargaining leading to a government based on the consent of the governed.

To support the positive aspects of change in South Africa, the Reagan administration, with the support of Congress, has initiated new programs over the past 2 years:

—A $4 million-a-year scholarship program which brings approximately 100 black South African students a year to the United States for undergraduate and graduate degrees. The majority of these students are studying in the hard sciences. By 1985 there will be some 400 black South Africans enrolled in U.S. institutions of higher education, and we will begin graduating more black engineers, chemists, and computer engineers than now exist in South Africa.

—In cooperation with the AFL-CIO, programs of support are being initiated to train labor leaders in South Africa in skills which will improve the collective bargaining ability of black and mixed trade unions and enhance the dialogue between the American and South African labor communities. The U.S. contribution to this program will increase from $190,000 this fiscal year to $875,000 next year.

—In cooperation with the National African Federated Chamber of Commerce of South Africa, we are beginning this year a project to support small business development in the black community. Over the next two years, some $3 million will be invested in this project designed to enhance the economic leverage of the black community.

—In conjunction with black community groups throughout South Africa, we have underway a tutorial program to assist black high school students preparing for the matriculation examination which will determine their professional futures. Over the next 2 years this $2 million project should significantly boost the number of blacks eligible for university admission.

—Moreover, the U.S. Senate has recently expressed its interest in setting aside $5 million for an internal scholarship program as a counterpart to the program now bringing black South African students to the United States. This program, implemented through private South African institutions, could provide scholarship support to some 400 black South African students per year.

I do not pretend that these programs, in and of themselves, are the answer to apartheid. But they are indicative of an approach that fully justifies the term "constructive." We are tangibly backing the things we believe in. By strengthening the educational standards of the black population, by enhancing the organizational ability of labor, and by expanding the business base of the black community, we are engaged in institution-building for change away from apartheid while helping to encourage the alternative to it.

In terms of supporting change in South Africa, the American business community has considerably more experience than the U.S. Government. Over the past decade, American corporations with subsidiaries and affiliates in South Africa have become a force for change. The activities of these firms have had an impact far beyond the book value of U.S. investment in South Africa, and far greater than is commonly recognized. U.S. firms have led the way toward equal employment opportunities in South Africa. Corporate initiative, both foreign and domestic, helped bring about changes in South African labor law permitting blacks to organize trade unions and bargain collectively. U.S. firms, acting through the voluntary Sulli-

van Code of Fair Employment Practices, have had a significant impact on the well-being of black South Africans on the job. We strongly believe that voluntary adherence to the Sullivan Code is one of the best ways to go beyond rhetoric about apartheid. Equally important, so do the great majority of our corporate leaders.

The record of U.S. corporate citizenship in South Africa, though not perfect, is clear and impressive. Our firms have been pace-setters for change. Those in the United States and other Western nations who would have our firms disinvest not only ignore this record of achievement but propose measures that rest on no discernible philosophic or policy premise. Disinvestment by U.S. firms would undo an avenue of positive effort. Proponents of corporate disinvestment—and of stockholder or pension manager sales of stock of firms operating in South Africa—would have Americans wash their hands of any association with that country. This apparent quest for symbolic dissociation is, in reality, a formula guaranteed to assure America's irrelevance to South Africa's future.

In the final analysis, however, South Africans themselves—both black and white—will have to meet the challenge of their society, drawing for inspiration primarily on their own resources and their own history. Movement toward change in South Africa is taking place. In the economy blacks have been gaining ever more bargaining power as producers. They are moving into more skilled and responsible positions. As consumers their purchasing power has become essential to the South African economy. Black trade unions have become a major new reality. Politically, Prime Minister Botha put his own political base in jeopardy with his proposal to extend a limited and ethnically-based franchise to the colored and Asian communities. What some South Africans see as too much, others see as too little. I do not see it as our business to enter into this debate or to endorse the constitutional proposals now under consideration for South Africa. Nor do we offer tactical advice to any of the interested parties. Yet the indisputable fact which we must recognize is that the South African Government has taken the first step toward extending national political rights beyond the white minority.

Many are quick to point out that these proposals make no provision for the national political participation of the black African majority in South Africa, except via the separate tribal homelands. More generally, there is a tendency to reject all incremental improvements in whatever sector of life in South Africa that are not explicitly linked to a full-blown democratic blueprint. We recognize the limits of current change, and for this reason do not make a practice of endorsing individual steps as, in themselves, an adequate response to the dead end of apartheid. At the same time, we believe it is incumbent on us to avoid the arrogance of rejecting such steps. Nor, if we would be credible, can we expect South Africa's would-be reformers to announce their game plan and their bottom line to the world at large.

We state clearly and unequivocally our belief in the concept of government based on the consent of the governed. We do not presume to offer a formula to South Africa for resolving its unsettled political agenda other than to state that all South Africans must have a say in determining their political system.

Conclusion

Let me conclude by drawing your attention to a little recognized fact. Our southern African policy of constructive engagement—extending the hand of friendship, cooperation and support to all states and peoples of the area who wish it—has occasioned controversy. Some, it appears, have misunderstood the message or chosen for their own reasons to misunderstand it. Less noticed is the encouraging evidence of a growing consensus across party lines around the core principles of more active involvement in this increasingly important region. Many Americans are coming to recognize that without a strong Western leadership role, it could become a turbulent zone of tragedy. They are pleased to see the United States striving diplomatically to build regional peace, to achieve independence for Namibia, to create conditions for the departure of Cuban troops from Angola. I detect a common sense public awareness that we can do these things only if we develop close and credible working relations with *all* the parties in the region. Whatever tactical debates may exist, I perceive a growing consensus in Congress, among businessmen, church leaders, trade unionists, and the media that it is right for Americans to do more than preach about apartheid. The time has come to support what we believe in, not to walk away in self-righteous indignation.

Document 554

Report by the U.N. Secretary-General (Perez de Cuéllar) Submitted to the U.N. Security Council, August 29, 1983 (Extract) [62]

The Question of Namibia

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5. In my preliminary consultations with senior officials of South Africa on the implementation of resolution 532 (1983), [63] they maintained that the main obstacle to implementation of the United Nations plan was the presence of Cuban troops in Angola, and that as soon as they were withdrawn, the remaining outstanding issues could be addressed and resolved. At the same time, they indicated that I would be welcome to visit South Africa for consultations. I made clear to them that the question of Cuban troop withdrawal from Angola could not be accepted as a precondition for a Namibian settlement. I added that if South Africa was not prepared to discuss the outstanding issues at this stage then there would be little point in visiting South Africa for consultations. I stressed that such a visit could only be justified if it served a useful purpose within the context of Security Council resolution 435 (1978) and resolution 532 (1983).

6. On 10 August I received a letter from the Foreign Minister of South Africa in which he set out the views of his Government concerning its requirements for a peaceful settlement of the question of Namibia. The letter stated that once firm agreement has been reached on the fundamental requirements of Cuban withdrawal, and a commitment had been obtained from the Angolan Government regarding the implementation of such an agreement, the South African Government was of the opinion that the other outstanding issues could be addressed and resolved reasonably quickly within the framework of the understandings that were reached between South Africa and the Contact Group. In this regard he said that South Africa would insist on compliance with the commitments which were made during the phase I and phase II negotiations, particularly with regard to impartiality which remained an essential requirement for the implementation of any settlement. Discussions would therefore have to take place concerning the manner in which the principle of impartiality would be applied in practice.

7. At separate meetings in New York, I informed SWAPO, the representative of the Chairman of the Front-Line States, as well as the Western Contact Group that should South Africa continue to insist on addressing outstanding issues only after agreement had been reached on the withdrawal of Cuban troops, it would not be possible to make any further progress on the implementation of Security Council resolutions 435 (1978) and 532 (1983) at this stage. At a further meeting, the Western Contact Group reconfirmed that understandings reached during phase I and phase II of the negotiations in 1982 (see S/15776, paras. 4 to 9), as agreed to in parallel discussions with SWAPO and the Front-Line States, as well as with South Africa, remained in force and were still binding on the parties. Following from this, I reaffirmed to the parties that in the implementation of Security Council resolution 532 (1983) discussions should not be reopened on matters in regard to which agreement and understandings had already been reached, and confirmed as such to the United Nations. In this connection, I drew their attention to the fact that the only remaining outstanding issues which had to be addressed in the context of Security Council resolution 532 (1983) were the choice of the electoral system and some final problems relating to UNTAG and its composition.

8. On 16 August I met with Ambassadors Fourie and von Schirnding of South Africa to discuss the letter of 10 August from the Foreign Minister in the context of Security Council resolution 532 (1983). At that meeting they assured me that South Africa accepts Security Council resolutions 435 (1978) and 532 (1983) as the basis for further discussions; and that South Africa was prepared, without prejudice to its position on other regional issues, to discuss the two remaining outstanding issues relating to the electoral system and the few remaining points per-

[62] Source: U.N. document S/15943, August 29, 1983, *Further Report of the Secretary-General Concerning the Implementation of Security Council Resolutions 435 (1978) and 439 (1978) Concerning the Question of Namibia*, pp. 2–7.

[63] See document 548.

taining to UNTAG and its composition. The Ambassadors also assured me that it was not the intention of South Africa to reopen discussions on matters regarding which agreement has been reached with the parties; and that South Africa also accepted all understandings and agreements reached with the parties, as valid and binding on the parties to the negotiations, and would accordingly insist on their implementation. It was on the basis of these clarifications that I decided that a visit to southern Africa might be useful within the context of Security Council resolution 435 (1978) and resolution 532 (1983).

9. On 17 August, I informed the Foreign Minister of South Africa that following an exchange of views with Ambassadors Fourie and von Schirnding on the points made in his letter, and in the light of clarifications given to me by them, it would be possible within the context of Security Council resolutions 435 (1978) and 532 (1983) to pay a short working visit to South Africa from 22 to 25 August to hold further discussions with the Government of South Africa in regard to the implementation of the United Nations plan for Namibia. I also emphasized to the Minister that in the context of our discussions, it was important that the question of Namibia be viewed as a primary issue in its own right, and not as an appendage to other issues. I further informed the Minister that I intended, subsequent to my visit to South Africa, to pay a brief familiarization visit to Namibia in regard to my responsibilities and in the context of pertinent Security Council resolutions.

10. I left New York on 20 August accompanied by Mr. Brian Urquhart, Under-Secretary-General for Special Political Affairs; Mr. Abby Farah, Under-Secretary-General for Special Political Questions; and Mr. Martti Ahtisaari, my Special Representative for Namibia. I arrived in South Africa on 22 August, after a brief stop in Cape Verde, which I made at the invitation of President Pereira for discussions with him.

11. In Cape Town, I met with Prime Minister P.W. Botha on 23 August and had extensive discussions with him, both on the question of Namibia and the general situation in the region. This was followed by meetings on 23 and 24 August with Foreign Minister Botha and the Minister of Defence, General M. Malan, together with senior officials of the Government. The Administrator-General of Namibia, Dr. W. van Niekerk, was also present at these meetings. My discussions with the Foreign Minister focused on the two remaining issues mentioned in my last report, namely, the choice of the electoral system and the settlement of some final problems relating to UNTAG and its composition.

12. At the working session, the Foreign Minister restated the South African Government's commitment to seek a settlement to the Namibia question on the basis of Security Council resolution 435 (1978) within the framework of the understandings reached with the United States and the Western Contact Group. He confirmed that the position of the South African Government was that the one major issue still to be resolved was the withdrawal of the Cubans from Angola, on the understanding that they would not be replaced by any other hostile forces. He further stated that firm agreement would have to be reached on the fundamental requirements of Cuban withdrawal, and a commitment would have to be obtained from the Angolan Government regarding the implementation of such an agreement. The other outstanding issues, he stated, should be addressed and resolved within the framework of the understandings reached with the United States and the Western Contact Group.

13. In reply, I stated that the United Nations could not accept the linkage precondition for the implementation of the United Nations plan for Namibia. I made clear that my mandate did not include the question of the withdrawal of Cuban troops from Angola and that the terms of reference for my discussions with his Government were exclusively spelt out in resolutions 435 (1978) and 532 (1983). I urged the Government of South Africa to respond positively on the two remaining outstanding issues.

14. In regard to the electoral system, the Foreign Minister stated that the Western constitutional proposals provided for a choice between the two systems, namely, proportional representation and the constituency (single-member constituency) system, to be made by the Administrator-General after commencement of implementation of Security Council resolution 435 (1978). He indicated that South Africa's choice would now be made by the Administrator-General and communicated to the Special Representative as soon as a

date for implementation had been set, which would be earlier than originally envisaged in the proposals. Members of the Security Council will recall that in my last report to the Security Council (S/15776, paragraph 8), I explained the situation in regard to the electoral system as follows:

"As regards the electoral system to be employed in electing the Constituent Assembly, it was agreed that it would be based either on proportional representation or single-member constituencies. I was also assured that all the parties were agreed that this issue must be settled in accordance with the terms of Security Council resolution 435 (1978) and that the issue must not cause delay in the implementation of that resolution. The Front-Line States and SWAPO emphasized the view that agreement should be secured on the electoral system prior to implementation of Security Council resolution 435 (1978). To this end, the Western Contact Group undertook to continue their consultations with all the parties."

15. In regard to UNTAG, I first took up the composition of its military component. I reviewed the progress made in previous discussions in regard to Governments that had agreed to provide the seven infantry battalions for UNTAG. In so doing, I explained that the final decisions on the composition of UNTAG would be made by the Security Council on the basis of proposals by the Secretary-General. Following the discussion, the Foreign Minister expressed agreement on the proposed composition of UNTAG and stated that as far as South Africa was concerned the matter was resolved.

16. The discussions also resulted in the settlement of outstanding issues regarding the Agreement on the Status of UNTAG. This agreement would provide UNTAG with the necessary immunities and privileges to facilitate its work and to protect its status in the Territory as a United Nations operation.

17. The Foreign Minister also raised again the question of impartiality. In this connection, he assured me that it was not the intention of South Africa to reopen discussion on this matter, regarding which agreement had already been reached, but that in order to avoid future delays it would be useful for South Africa to know how provisions relating thereto would be implemented. I assured him that in the implementation of Security Council resolution 435 (1978) all parties would be treated equally by the United Nations. It followed that South Africa was expected to do the same.

18. Since I completed my talks with South Africa ahead of schedule, I proceeded to Namibia on 24 August on a brief familiarization visit. I visited Ruacana on the northern border of Namibia, where I was shown the hydroelectric power station and its facilities. The journey to Namibia provided me with an opportunity to learn at first-hand some of the present difficulties facing its inhabitants. While in the Territory, I raised these matters and other problems in informal consultations with the Administrator-General, Dr. van Niekerk.

19. Namibia is afflicted by a serious drought situation with dire consequences for the entire population, particularly those in the rural areas. In my contacts and meetings with the people of the Territory, most of them, after expressing their desire for peace and stressing the necessity for an early implementation of the United Nations plan, urged me to alert the international community to their plight and to facilitate the flow of humanitarian assistance. The present cycle of drought in Southern Africa as a whole is having a devastating impact on the national economy and the every-day life of the people of the Territory. In the circumstances the international community might wish to consider what could be done to provide humanitarian assistance to support local efforts in this regard.

20. Having concluded the first leg of my visit to southern Africa, I paid a one-day visit to Luanda on 26 August to follow-up discussions I initiated in New York with SWAPO in regard to the implementation of Security Council resolution 532 (1983). I also met with President dos Santos of Angola to discuss the situation in Southern Africa.

21. I met with Mr. Sam Nujoma, President of SWAPO, in Luanda to discuss the question of Namibia in the framework of Security Council resolution 532 (1983). He reiterated to me SWAPO's statement of January 1981 during the Geneva Pre-Implementation Meeting. He stated that SWAPO was ready to sign a cease-fire with South Africa and to further co-operate with the Secretary-General and UNTAG, both military and civilian compo-

nents, in facilitating the speedy implementation of Security Council resolution 435 (1978) without modification, amendment or extraneous and irrelevant issues of linkage and reciprocity.

22. With regard to the composition of the military component of UNTAG he assured me that SWAPO would support the recommendations which I intended to make to the Security Council with regard to the composition of the seven infantry battalions.

23. On the choice of the electoral system, Mr. Nujoma reaffirmed SWAPO's position that it was prepared in principle to accept either proportional representation or the single-member constituency system, and urged the imperative need for a decision to be made on this matter as soon as possible and for the establishment of a time-frame for implementation.

CONCLUSIONS

24. I have described above my efforts to carry out the mandate given to me by the Security Council in resolution 532 (1983), namely, to consult with the parties to the proposed cease-fire with a view to securing the speedy implementation of Security Council resolution 435 (1978). These prolonged and intensive consultations have resulted, as far as UNTAG is concerned, in resolving virtually all the outstanding issues. In fact we have never before been so close to finality on the modalities of implementing resolution 435 (1978).

25. However, the position of South Africa regarding the issue of the withdrawal of Cuban troops from Angola as a precondition for the implementation of resolution 435 (1978) still makes it impossible to launch the United Nations plan. I have repeatedly made it clear that I do not accept this so-called "linkage" and that the question of Cuban troops was not envisaged in Security Council resolution 435 (1978) and is not part of my mandate under resolution 532 (1983). This difficulty can only be dealt with in its own context by those directly concerned, acting within their sovereign rights, and, above all, by a determined effort by all concerned to reduce the tensions and contentious issues and to put an end to conflict in the area as a whole.

26. My visit to the region brought home to me vividly both the human tragedy of the present situation and the necessity for urgent progress towards implementation. The people of Namibia, on whose behalf this long-standing international effort has been mounted and maintained, are suffering not only denial of their legitimate aspirations for genuine self-determination and independence, but from the effects of procrastination and the uncertainty of their future. To their already great difficulties have now been added the hardships of a long and serious drought. I have now witnessed at first-hand their impatience and disillusionment.

27. A peaceful solution of the Namibian problem is also the key to a peaceful and co-operative future for all countries of the region. The instability and conflict generated by the failure to resolve this problem has had disastrous results for the neighbouring countries, and especially for Angola. It is in the interest of absolutely no-one to have this situation continue. It is both highly damaging to the peoples and Governments of the area and also a threat to the wider peace. Another complicating factor is the injection of wider political and ideological issues into this already complex and highly-charged situation.

28. I have reported above substantial progress since the Council last met on the Namibia question. However, no-one is more aware than I that we cannot claim real progress until an actual date is fixed for the start of implementation of resolution 435 (1978), and the cease-fire comes into force. I have no doubt that further disastrous consequences will result if we do not reach this stage quickly.

29. The attainment of a peaceful, prosperous, independent and united Namibia would be an achievement of which all members of the international community could be proud. For the sake of the people of Namibia, for the future of this richly-endowed region of the world and in the interest of international peace and co-operation, I appeal to all concerned not to be distracted from this objective by other issues. I urge them, in a renewed spirit of co-operation, to build on the progress made and to make another major effort for the achievement of independence for Namibia through the implementation of resolution 435 (1978) at the earliest possible date. For my part I am determined to continue my endeavours to this end and also to assist the people of Namibia in any way I can.

Document 555

Statement by the Representative (Pritchard) Before the U.N. General Assembly, October 14, 1983 [64]

U.S. Denial of Charges of Its Violation of the Arms Embargo on South Africa

Mr. President, we were surprised and disappointed that the distinguished representative of Nigeria chose to suggest in his October 5 address [65] that the United States has in some way violated the military arms embargo imposed on South Africa in Resolutions 418 (of 1977) and 473 (of 1980). [66] This suggestion is false.

The United States has embargoed arms sales to South Africa since 1963, [67] well before the adoption of the Security Council resolutions creating the U.N. embargo in 1977. [68] The United States has also rigorously enforced these prohibitions on military sales and continues to do so. It is indeed regrettable that this conscientious effort should be maligned by false assertions on so important a subject.

The alleged violation concerns approval by the U.S. Government of bidding by American companies on a contract to provide advice and technical services to a South African firm whose commercial nuclear reactors provide electricity to a nationwide power grid. This action is neither a violation of the Security Council embargo nor a threat to the peace. The facts are:

—The reactors are typical commercial nuclear electric power generators built by a European firm, similar to those found in four dozen other countries.

—They use only low-grade uranium fuel not suitable for military purposes.

—In addition to the safeguards made applicable by virtue of provisions of the U.S. Nuclear Non-Proliferation Act, [69] South Africa has accepted IAEA monitoring; the reactors are therefore covered by IAEA regulations, including those relating to inspections.

—The maintenance services upon which bids are to be submitted involve no arms, no military material, no transfer of sensitive technology, and no risk of nuclear proliferation.

—A large number of companies from other countries with industrial nuclear capability—both European and Asian—have also submitted bids.

In fact, bids by U.S. companies represent the least chance of nuclear proliferation as no other country has imposed on its industries as tight controls as those provided under the 1978 U.S. Nuclear Non-Proliferation Act.

We were also surprised and disappointed that the distinguished Foreign Minister of Upper Volta should have stated, in his October 12 address to this Assembly, [70] that the United States had accorded South Africa a credit of $50 million to consolidate the nuclear potential of that government. This is false.

The United States has not accorded South Africa any credit, loan or grant for nuclear development—not $50 million, not 5 million, not anything. The assertion is wholly false and can only put in question the seriousness of the expressed concern.

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[64] Source: U.S. Mission to the United Nations Press Release USUN 88-(83), October 14, 1983. Pritchard made this statement at a Plenary session.

[65] For text of Nigerian Representative Alhaji A.M. Bello's address before the General Assembly on October 5, see U.N. document A/38/PV.20, October 6, 1983.

[66] For text of U.N. Security Council Resolutions 418 (1977) and 473 (1980), see *American Foreign Policy: Basic Documents, 1977–1980*, pp. 1183–1184 and 1195–1196, respectively.

[67] On August 2, 1963, the United States announced that it would end all arms sales to South Africa, effective at the end of 1963.

[68] U.N. Security Council Resolution 181 (1963) created a voluntary embargo on equipment and materials for the manufacture and maintenance of arms and ammunition in South Africa, December 4, 1963. Security Council Resolution 418 (1977) established a mandatory arms embargo on South Africa, November 4, 1977; for text, see *American Foreign Policy: Basic Documents, 1977–1980*, pp. 1185–1186.

[69] Reference is to P.L. 95-242, the Nuclear Non-Proliferation Act of 1978, approved March 10, 1978. For text, see 92 Stat. 120.

[70] For text of Upper Voltan Foreign Minister Hama Arba Diallo's address before the U.N. General Assembly on October 12, see U.N. document A/38/PV.30.

We trust this explanation will clarify the misconceptions that have been circulating on this subject.

Document 556

Statement by the Representative at the United Nations (Kirkpatrick) Before the U.N. Security Council, October 24, 1983 [71]

Update on the Situation in Namibia

Mr. President, the tragic events of Beirut of yesterday, [72] testified to the dangerous point to which international issues can grow if left to fester unresolved. Unfortunately, the people of southern Africa are no strangers to such unhappy, indeed, tragic scenes. It is our special responsibility as members of this august body to confront the problems of our world in a timely, realistic and responsible manner. This isn't easy for many factors work against anyone who assumes seriously the task of peacemaker. Certainly the members of the Council and the leaders of the frontline states, as well as of the Contact Group, have expended great efforts in the search for a way to bring Namibia to a peaceful independence. And we have come very close in our goal, but we have not yet succeeded. Meanwhile, our frustrations mount and the call for violent solutions grows louder. In times like these, I believe that a special value attaches to clear assessment to the skills of diplomacy and statesmanship of our political leaders. It is our reponsibility to help the people of the world to see better where we are, how far we have come, so that they will renew their commitment to the goal of a prompt and peaceful settlement of this terribly troubled and important issue and not from despair, cast aside the agreements already so painfully reached.

It is for these reasons that the United States especially welcomes this opportunity for the Security Council, once again, to exercise its responsibility for Namibia and to review developments in the negotiations being conducted pursuant to U.N. Security Council Resolution 435 since the Council's last discussion in May. [73]

On that occasion, the Council was able to hear directly from the principal parties to the negotiations regarding the progress that has been achieved and to address frankly what remains to be done in order to bring about implementation of the U.N. settlement plan. On that basis, the Council was able to act unanimously, through the adoption of Resolution 532, [74] to ask that the Secretary-General lend his personal good offices to consultations with the parties aimed at identifying a basis for the movement towards Namibia's rightful independence.

My government welcomed the Secretary-General's sincere, constructive, and skillful approach to his mandate under Resolution 532. I should like once again to express the deep appreciation of the United States for the dedication and objectivity shown by the Secretary-General and his staff, which have so thoroughly characterized their commitment to the Namibia settlement process and which have, in fact and very significantly, gained the confidence of all sides of the conflict. The Secretary-General's achievements have been noteworthy. My government welcomes his interest and continued active involvement to reach our common goal.

In his August 29 report to the Council, [75] the Secretary-General described in detail his discussions in South Africa, Namibia, and Angola, underscoring both the very significant achievements of his trip and the obstacle that still stands in the way of a settlement. The United States attaches the highest importance to the results of the Secretary-General's discussions with the South African government. In the course of those talks, very real progress was made on issues that had, until then, remained unresolved over the years. Notably, all questions regarding UNTAG that had a direct bearing on implementation of Resolution 435 have now been cleared up. The South African Government has also affirmed its commitment to indicate at an early date prior to implementation its choice of an electoral

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[71] Source: U.S. Mission to the United Nations Press Release USUN 98-(83), October 24, 1983.

[72] Reference is to the truck bombing of the U.S. Marine compound in Beirut on October 23, 1983.

[73] See document 546.

[74] See document 548.

[75] See document 554.

system. We regard this as important forward progress. The South African Government also stated unequivocally that it now has no question or reservations regarding the impartiality of the United Nations in the settlement process. These are significant accomplishments which have contributed in important ways to building a climate conducive to a peaceful settlement of the Namibia conflict.

Similarly, my government welcomes the Secretary-General's report that SWAPO President Nujoma in his meeting with the Secretary-General in Luanda,[76] reaffirmed that his organization stands ready to sign a cease-fire and to move forward on implementation on the basis of the agreements that have been reached.

Mr. President, although the Secretary-General's initiative in southern Africa measurably advanced the negotiations, his report to the Security Council also made clear that there does remain one issue standing in the way of implementation of Resolution 435: South Africa's position regarding the withdrawal of Cuban forces from Angola. This put into focus the frustration widespread in Africa, felt most sharply among the frontline states who have worked so long and so hard on the Namibia process, that an issue outside the scope of Resolution 435 is delaying our common objective. It is obviously a matter of frustration. The United States and its partners in the Contact Group share that frustration. However, my government remains firmly convinced that this obstacle can and should be resolved—that this can be done with perseverance and good will, that we will be able to overcome this obstacle.

The United States remains firmly committed to the objective of Namibian independence pursuant to Resolution 435. Our attachment to freedom—manifested in our foreign and domestic policies since our own independence struggle more than two centuries ago—permits no other course. Our continuing concern in these negotiations has been that this goal be approached realistically—practically. We must recognize that, as a practical matter, implementation of Resolution 435 will take place only if the fundamental concerns of all parties are addressed. To that end, we have devoted our energy to the search for a solution based on reciprocity, with full mutual respect for security and sovereignty on all sides, with Namibia's independence as its only acceptable result. We will remain engaged in this effort as long as it appears that there is a chance for a peaceful solution.

Mr. President, the problem of cross-border violence in southern Africa is of deep concern to us all. We are working toward a peaceful resolution of the region's differences and have urged and will continue to urge military restraint. We do not believe there are military solutions to the conflicts afflicting the states of this troubled region. Our policies are premised on the belief that negotiated solutions are both possible and essential. As we have said in the past, cross-border violence cannot be condoned, whether it be in the form of a bomb placed in a crowded square in Pretoria by externally based organizations or in the form of the continuing violation of the territorial integrity of Angola by South African forces.

Mr. President, many speakers in this debate have stated their concern over the amount of time it has taken to move the negotiations as far as they have come. The truth is that the complex issues directly relating to the U.N. plan have required the most delicate negotiation. With the results of the Secretary-General's trip, there is today virtually complete agreement on the basis for implementation of Resolution 435. It is also equally clear that there can be no final resolution of the Namibia question without the cooperation of the parties most directly involved.

Mr. President, during the May debate, the position of my government regarding these negotiations was made clear to the Council. There has been progress since then, as the Secretary-General's report makes clear. At the same time our basic position has not changed, and I will restate that position today:

—The United States neither seeks nor desires any special advantage or position for itself in the negotiations.

—It is not our intention, nor is it within our power, to impose our views or wishes on the parties whose interests and aspirations are most directly involved.

—We fully respect the fact that the political decisions needed to proceed with implementation of the U.N. plan are sovereign decisions that can only be taken by

[76] *Ibid.* They met on August 26.

the governments most immediately and directly concerned.

—We further recognize that those who must take those decisions will wish to assure themselves that their own interests and security will be respected and protected.

—Our sole objective has been to assist the parties in overcoming the difficulties that have to date prevented the implementation of Resolution 435 and the attainment of Namibia's long-deserved independence.

Mr. President, while Namibian independence is not yet within our grasp, it is within sight, doubling our impatience, but also redoubling our commitment. The United States is convinced that the will for a settlement is present on all sides in no small part based on recognition of the imminent, dangerous alternative of an escalating cycle of destructive violence. The future of the people of Namibia, for whom the United Nations and this Council bear unique responsibility, depends on our working together to keep the negotiating process firmly on track. The United States continues to stand ready to work closely with other members of the Council and with other parties to hasten the day when an independent Namibia can take its place among us as a sovereign state. Until that day, it is to each of us to think how best we can contribute to that achievement.

Document 557

Resolution 539 (1983), Adopted by the U.N. Security Council, October 28, 1983 [77]

U.N. Security Council Condemnation of Linkage Between Namibian Independence and Withdrawal of Cuban Troops From Angola

The Security Council,

Having considered the report of the Secretary-General (S/15943) of 29 August 1983,

Recalling General Assembly resolutions 1514 (XV) of 14 December 1960 and 2145 (XXI) of 27 October 1966,

Recalling and reaffirming its resolutions 301 (1971), 385 (1976), 431 (1978), 432 (1978), 435 (1978), 439 (1978), and 532 (1983),

Gravely concerned at South Africa's continued illegal occupation of Namibia,

Gravely concerned also at the tension and instability prevailing in southern Africa and the mounting threat to the security of the region and its wider implications for international peace and security resulting from continued utilization of Namibia as a springboard for attacks against and destabilization of African States in the region,

Reaffirming the legal responsibility of the United Nations over Namibia and the primary responsibility of the Security Council for ensuring the implementation of its resolutions, in particular, resolutions 385 (1976) and 435 (1978), which call for the holding of free and fair elections in the Territory under the supervision and control of the United Nations,

Indignant that South Africa's insistence on an irrelevant and extraneous issue of "linkage" has obstructed the implementation of Security Council resolution 435 (1978),

1. *Condemns* South Africa for its continued illegal occupation of Namibia in flagrant defiance of resolutions of the General Assembly and decisions of the Security Council of the United Nations;

2. *Further condemns* South Africa for its obstruction of the implementation of Security Council resolution 435 (1978) by insisting on conditions contrary to the provisions of the United Nations plan for the independence of Namibia;

3. *Rejects* South Africa's insistence on linking the independence of Namibia to irrelevant and extraneous issues as incompatible with resolution 435 (1978), other decisions of the Security Council and the resolutions of the General Assembly on

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[77] Source: U.N. Security Council Resolution 539 (1983), October 28, 1983. The resolution was adopted by a vote of 14 in favor, none against, with the United States abstaining.

Namibia, including General Assembly resolution 1514 (XV) of 14 December 1960;

4. *Declares* that the independence of Namibia cannot be held hostage to the resolution of issues that are alien to Security Council resolution 435 (1978);

5. *Reiterates* that Security Council resolution 435 (1978), embodying the United Nations plan for the independence of Namibia, is the only basis for peaceful settlement of the Namibian problems;

6. *Takes note* that the consultations undertaken by the Secretary-General pursuant to paragraph 5 of resolution 532 (1983) have confirmed that all the outstanding issues relevant to Security Council resolution 435 (1978) have been resolved;

7. *Affirms* that the electoral system to be used for the elections of the Constituent Assembly should be determined prior to the adoption by the Security Council of the enabling resolution for the implementation of the United Nations plan;

8. *Calls upon* South Africa to cooperate with the Secretary-General forthwith and to communicate to him its choice of the electoral system in order to facilitate the immediate and unconditional implementation of the United Nations plan embodied in Security Council resolution 435 (1978);

9. *Requests* the Secretary-General to report to the Security Council on the implementation of this resolution as soon as possible and not later than 31 December 1983;

10. *Decides* to remain actively seized of the matter and to meet as soon as possible following the Secretary-General's report for the purpose of reviewing progress in the implementation of resolution 435 (1978) and, in the event of continued obstruction by South Africa, to consider the adoption of appropriate measures under the Charter of the United Nations.

Document 558

Statement by the Alternate Representative at the United Nations for Special Political Affairs (Lichenstein) Before the U.N. Security Council, October 28, 1983 [78]

Explanation of the U.S. Vote on U.N. Security Council Resolution 539 (1983)

Mr. President, my government wholly supports the spirit of the Security Council resolution just adopted. [79] We share the desire of the Members of the Council—those who wish to contribute to a productive solution of the problem—we share with them an ardent desire to move Namibia toward independence without further delay within the framework of Security Council Resolution 435. Many have worked hard and sincerely toward this end—no one, I might note, more effectively than our distinguished Secretary-General. My government has worked hard and will continue to work to overcome obstacles that stand in the way of Namibian independence. Nonetheless, there are in Resolution 539 certain elements that cause us concern.

The resolution contains a number of references to past resolutions which the U.S. Government did not support.

The timeframe, moreover, provided by the resolution represents in our judgment a genuine good-faith effort to strike a difficult and a delicate balance. On the one hand, this Council must do nothing that would in any way encourage delay for the sake of delay. On the other hand, the same delicacy, the same difficulty, counsel against unreasonable or unrealistic constraints on the negotiating flexibility required to overcome remaining obstacles to Namibian independence. My government has some reservations on this score with regard to the language of Resolution 539, although I reiterate that in our judgment it does represent a laudable effort at striking the right balance.

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[78] Source: U.S. Mission to the United Nations Press Release USUN 107-(83), October 28, 1983.

[79] *Supra.*

Finally, Mr. President, we are disturbed by the resolution's implicit allusions to possible future action under Chapter 7 of the U.N. Charter.[80] We regard such allusions as premature. Progress is being made in the negotiations aimed at securing the implementation of Resolution 435. This progress, substantial progress, was reported by the Secretary-General in S/15943 dated August 29. My government does not look forward to the eventuality of failure. We look forward, we are wholly committed to, ultimate success.

Document 559

Address by the Deputy Assistant Secretary of State for African Affairs (Wisner) Before the Hans Seidel Foundation Symposium, Munich, November 3, 1983[81]

Southern Africa: U.S. Perspective

I am delighted to be here to talk to you about the problems and prospects in southern Africa.

I have worked on southern Africa—this beautiful and promising region with seemingly intractable problems—for several years now. During that period, I have learned one thing—it is almost impossible to have a rational, unemotional discussion about southern Africa. As soon as the subject is announced, the adrenalin starts to flow, and rhetoric rather than reason takes over. Today I would like to share with you the perspective of those of us in Washington responsible for developing U.S. policy toward Africa's southern third. And let me begin by describing our view of reality and the future in this tormented region.

Southern Africa is the embodiment of a paradox;

—It is blessed and cursed at the same time.

—It is blessed because of the climate, its natural resources. It lacks the terrible problems of overpopulation and hopeless poverty which afflict so much of the Third World. But to many, it is also cursed in an almost biblical sense; despite the riches in southern Africa, an aura of doom and foreboding hangs over the region.

—There is a feeling—unspoken much of the time—that at some point uncontrollable, irrational violence will engulf the region, destroy its prospects, and deny its people of the promise that they have every right to expect. I would submit to you that our task in the West is to help the people of that region—for they must in reality do the job themselves—to defuse the time bomb which is ticking in their region and encourage southern Africa to live up to its promise. But to understand the region, one must understand its diverse parts. Let me begin with South Africa.

Our critics have said that our policy in southern Africa begins and ends with South Africa. That is not true, but any analysis of the region must pay appropriate attention to the reality of South Africa. That reality has several notable aspects:

South Africa is the primary economic system in the region. Thus, if one is interested in economic development in the region, it makes no sense to attempt to diminish or circumvent the South African economic system.

South Africa enjoys military primacy among the states of the region. That is partly a function of economic reality. It is also—and let us face the issue coldly—a result of the fact that isolated South Africa has fended for itself and has done so with terrible effect. South Africa in part because of its isolation, has become an important producer of military hardware. My government supports fully the international arms embargo but we also recognize the irony. International efforts to achieve isolation have had the counterproductive consequences of producing a well armed South Africa capable of supplying many of its defense needs.

Third, South Africa is a deeply divided nation; it faces an uncertain future. Its parts are suspicious of each other and each part doubts that a system acceptable to the other can provide adequate safety for itself. White South Africa's acute paranoia colors its view of the region as a whole. Too few white South Africans believe they can live in peace and protect their way of life *except* through the exercise of force.

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[80] This is a reference to Action With Respect to Threats to the Peace, Breaches of the Peace, and Acts of Aggression.

[81] Source: Department of State files.

Fourth, white South Africa may be a product of the great Western colonial expansion of the 17th, 18th, and 19th centuries—as my own country is—but after the retreat of that great imperial tidal wave from Africa, South Africa remains. And let me state quite factually that white South Africa will not—merely to make its critics in the West feel more comfortable—blindly surrender its political advantages.

This leads me to my fifth general point about South Africa. In the near term, white South Africans will have an important influence—indeed at times control—over what happens in the region as well as over the pace of change and the nature of change within South Africa.

However, and I will return to this theme later on, we recognize that a South Africa beset by real or imagined enemies and out of touch with the West can do grave damage to our interests in the region. That is a point we have made clear to Pretoria—a constructive relationship with the West is not a one-way street. South Africa must respect Western interests in the region. But, indeed, these often coincide with South Africa's best interests, although some in Pretoria may be reluctant to see that.

Lastly, we recognize that there is an active debate underway inside South Africa about both the future of the country and the future of the region. Let me develop this theme.

It has been a major thrust of our policy—which we have described as "constructive engagement"—to influence in as careful and effective a manner as possible South Africa's bitter internal debate about how the country will face its future—realizing that our influence in South Africa's internal affairs is limited.

This is a crucial debate. Let me describe briefly to you how we see it, most broadly.

At the risk of considerable oversimplication, I would say that we believe analytically there are two poles of thought at senior official levels in South Africa about how to deal with the future.

We associate the following with one of these poles of analysis:

—South Africa is better advised to put its neighbors on notice and increase through an interventionist military policy, the costs which they will pay for permitting acts of violence to be planned and launched from their territories.

—Coupled with that position is the general, almost reflexive search for tribal minorities and political opponents of neighboring governments which can be armed and supported.

—A second element is a forceful economic policy aimed at maximizing dependence on South Africa.

—Finally, this school of thought would be wary of political involvement with the West fearing that entangling compromise might deter South Africa from taking the robust steps needed to assure its survival.

Fortunately for South Africa and the West, there is another school of thought in South Africa on how to deal with the future. Its tenets include:

—The belief that a confrontation with neighbors has its costs; it produces deep bitterness and widens the chasm of suspicion. It is not indefinitely sustainable.

—South Africa cannot foul its region, impoverish and destabilize its neighbors and expect to emerge unscratched. If it does so, it will face the consequences without benefit of Western understanding or cooperation.

—Demographic change is a factor. Whites are a declining proportion of South Africa's population. South Africa's economy cannot expand without additional skilled manpower and a broader consumer base at home and in the region. Both argue against "state of nature" policies in the region.

—Ultimately an aggressive posture toward neighbors will open the way to external intervention, Western political pressure to be sure, but more importantly the intervention of the Soviet Union and its allies whose sole objective is to fuel the fires of violence.

The relationship in this debate between external and internal policy is not always clear. Indeed a recent public opinion survey indicated that most whites favor a hard approach to the neighbors and a softer line on internal change.

But generally—at the top—within the leadership, there is a potential association between pragmatism vis-à-vis the neigh-

bors and gradual expansion of the basis for political involvement inside the republic. It is a cardinal feature of our thinking that a South Africa under less of a threat from neighboring states is a South Africa in a stronger position to pursue internal reform. This thought contributes to one of the most important features of American policy in southern Africa—the active quest for rules of coexistence between the states of the area and the emergence of regional détente.

Finally, on South Africa, let me turn to our approach for dealing with Pretoria—the policy of "constructive engagement."

As Vice President George Bush said in his public statements in Africa, we believe that apartheid is morally wrong. We believe that apartheid represents an approach to government fatally flawed in its basic premise—that people are not equal in the access they should have to deciding their system of government. As a multiracial society, we cannot concur in any system which arbitarily classifies people according to race rather than allowing people to be self-classified on the basis of talent, merit, and freedom of action.

That said, however, we believe it is preferable to treat South Africa's dilemma as a political problem involving participation rather than a moral issue involving inequity. In my experience, "moral problems" are often intractable. Moralistic interpretations of political conflicts lead to all or nothing confrontations. It is the Manichean heresy transferred to diplomacy.

Thus we support constructive change in South Africa—change which will widen the participaton of all South Africans in the affairs of their nation. In particular:

We feel the nature of political change in South Africa will and must be determined by the people of South Africa, not by outsiders. Outsiders have an interest in the outcome and can encourage positive change.

We believe that change inside South Africa—which in reality in the first instance will largely be under white control—must be incremental. In that regard, we view the new constitutional dispensation as a fundamentally important step. Not that the step defines South Africa's political future nor solves the problem of political participation nor that the constitutional results will prove to be acceptable to all South Africans or even workable. Rather the arrangements are a sharp break with the country's recent past and this step opens the way to further changes. It permits white South Africans to make a choice, vote for change, and move toward political moderations and accommodation.

And that is the real issue. South Africa is not ready today to choose a "solution." The issue is not whether blacks like or accept these proposals. They do not; blacks and many others are offended by them. The issue is whether South Africa's white electorate is doomed to follow in the footsteps of Rhodesia in the 1960's, or whether a creative shift toward the political center can occur and thereby open the door to the inclusive politics of bargaining, expanding rewards, benefits, and responsibilities and broadened participation.

The "homeland" policy South Africa has pursued will not work and we do not accept it. It does not respond in any way to black political aspirations. In addition, it is clear that the existing homelands are neither economically nor socially viable. In that sense, they may, in the near term, complicate matters. South Africa will not find its future by denying citizens their fundamental right to South African citizenship assigning them—without a choice—to homelands on the basis of tribal and linguistic origin. However central tribal factors may be in African politics—including the tribalism of white South Africans themselves—tribal origin cannot be the juridical basis of political structure or a constitution in any modern nation state.

I have said something about what we are against. I want to say what we are for. We are for change—a progressive and rapid movement to a system based on the consent of the government. We are for the rule of law and equality in the work place, in education, housing, and social services. We encourage expanded opportunity for black, colored, and Asian South Africans; their acquisition of the tools which will permit them to forge their future on a basis of equality. And we support those who work for change, including South African and foreign enterprises. We are active officially, investing public funds in education, labor, and black business development.

We feel that a developing relationship with the West is essential to give assurance to the leaders of South Africa—as-

surance in a time of flux and change. But the relationship between Washington and South Africa in particular, and the West and South Africa in general, must be reciprocal. In other words, constructive measures by Pretoria vis-á-vis its internal situation and its neighborhood *should* be recognized as such by the West and welcomed. In the same vein, unhelpful steps should be pointed out frankly as such. And the West should be prepared to encourage forward movement and to respond accordingly when it occurs. Let me be quite specific. All Western nations have a role to play and an interest in peaceful change in South Africa. The burden and responsibility do not fall solely to the United States.

A final point on reciprocity; Pretoria cannot have it both ways. South Africa claims to be a part of the West; we accept that as an historical fact. But, if that is the case, Pretoria must respect Western norms and sensibilities to a much greater extent both in the management of its internal affairs and in the way it deals with its neighbors. South Africa cannot pose as a Western bastion, if it offends Western values and if its behavior serves the interests of the Kremlin.

I know that the leaders of South Africa appreciate this is a reality in our thinking. I also suspect that those in South Africa who oppose reciprocal links with the West—those who would like to see the relationship as a one-way street of Western support and concessions—are aware of the reality as well.

Let me now focus on the neighbors; first Zimbabwe, second Mozambique and Angola, and some comments on Namibia.

Zimbabwe: The U.S. Government under President Carter welcomed Lancaster House [82] as a remarkable example of the peaceful solution of a seemingly intractable problem. This administration reviewed the situation in Zimbabwe and concluded that Zimbabwe could be an important element in an overall effort to stabilize the situation in southern Africa.

Accordingly, we took the following steps:

—An aid pledge of $225 million over 3 years to assist recovery and development;

—Making it clear to Pretoria that a successful and stable Zimbabwe is in South Africa's interest.

Let me say that we recognize fully any relationship between Harare and Pretoria will be difficult. But it must exist and is logical, given Zimbabwe's transportation and trade links and Pretoria's desire for stability on the northern border of the Transvaal. We also accepted the fact the United States and other Western nations have roles to play in making that relationship work and in helping ensure South Africa and Zimbabwe work out rules of coexistence.

I will not pretend to you that our relationship with Zimbabwe is either easy or always comfortable. We are dealing with a new nation forged out of a revolutionary experience. But we hope to keep our eye firmly on geopolitical realities in the region, and we hope the leadership in Harare will do likewise. We have sought and will continue to seek a strong relationship with that important country. It is a relationship which can *only* be sustained on the basis of respect and reciprocity.

Zimbabwe has been accepted in the family of nations *as an equal*. It occupies at present a seat on the Security Council. Its actions affect the interests of others, including the United States. My country's relationship with Zimbabwe is influenced by how we cooperate globally and in the region and how Zimbabwe's domestic order is understood by our Congress and public. The relationship is not based on the provision of economic assistance on the one hand and the acceptance and efficient use of aid on the other. Such a view trivializes the relationship and simply casts Zimbabwe in a client position. The relationship must be more mature and broadly based. It must treat the full range of issues Harare and Washington confront. Finally it must proceed on the basis of respect for each other's most important interests.

Angola and Mozambique: Let me turn to Mozambique and Angola. A remark about both of them together.

I believe that all observers accept that the Portuguese revolution in April

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[82] Reference is to the Lancaster House constitutional talks which took place in London, September 10–December 15, 1979.

1974,[83] and the subsequent collapse of the Portuguese colonial empire were seminal events in the modern history of southern Africa. The decolonization process was chaotic and the West bears a degree of collective responsibility for an outcome that essentially was the legacy of upheaval in one Western state.

But the story continues and now—almost 10 years after it began—we are noting a dramatic evolution in the development of the former Portuguese territories. Of course, there are local differences but let me concentrate on the common themes:

—The governments, which came to power in haphazard and confused circumstances, were born of political parties and liberation armies. They lacked the institutions and the manpower which permit the orderly governance of states.

—Independence has never been fully consolidated. Armed internal opposition movements are active—indeed increasingly active—supported by South Africa.

—A stable relationship with South Africa—the major regional power—has not been sorted out by either.

—Economic confusion, indeed decline, are self-evident, partly as a result of the adoption of an inappropriate Soviet economic style.

But the most interesting theme we have observed is that the leaders and governments of the former Portuguese territories have increasingly come to the conclusion that the Eastern option—reliance on the Soviet Union and its clients—does not work.

That is an existential realization that they came to on their own. We did not tell them how to interpret events. They came to their own understanding over 8 years, 8 very difficult years. As a result, there is a new opportunity for the West to assist these countries as they struggle toward a new and more stable accommodation with the realities which they face.

In Mozambique, we have opened a dialog with the government of President Samora Machel on the problems of the region in general and the neuralgic relationship between Pretoria and Maputo.

In that regard, we have urged both sides to discuss their problems in a realistic manner. And we have told the South African Government that the use of internal dissidents to overthrow the Mozambique Government is not in their interest, nor is it in ours.

Similarly, we have asked our Mozambican friends to think long and hard about South Africa's concern for its security and to take the steps necessary to achieve détente with South Africa.

Finally, we have provided short-term assistance to Mozambique—in particular food aid. And we plan to do more. Our dialog continues. In fact, I will be going down to Maputo after this conference.[84]

The Angolan situation is more complex, given its relationship to the Namibian imbroglio. It is marked by:

—A civil war based upon ethnic and political divisions which predate independence;

—South African attacks on the country, indeed the occupation by South Africa of Cunene province—a fact which we condemn;

—Economic decline and confusion partly resulting from war, partly resulting from misbegotten efforts to apply Soviet economic models.

We have had an extensive and at times difficult dialog with the Angolan leaders and I am personally convinced that they want to solve their problems. In particular, they want to open their doors to the West.

That dialog continues but its outcome is very much a function of bringing independence to Namibia. We will persist in seeking a solution to the problems of peace in Angola.

On Namibia, our position is quite clear:

—We believe the Namibian people deserve their independence and the implementation of UNSCR 435 is the best,

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[83] On April 25, 1974, Portuguese Prime Minister Marcello José das Neves Alves Caetano was overthrown in a military coup led by General António de Spínola.

[84] Wisner visited Mozambique from November 8 to 10, 1983, to discuss bilateral relations and the situation in southern Africa with President Machel and other government leaders.

indeed the only way of obtaining that goal. When this administration came into office in 1981, however, it was apparent that the political conditions for the successful implementation of 435 did not exist.

In particular:

—South Africa, for a complicated set of foreign and domestic reasons, was unwilling to agree to a date for implementation of 435, as was made clear in Geneva in January 1981;

—The states of southern Africa had not thought through the issue of security between themselves—they have not done so yet. But for Namibia the question is vitally urgent. Unless South Africa sees how its security will be protected, the conditions for implementing 435 will not exist.

Our goal has been to create such a context which would be in the interests of all the countries which border Namibia. That is why we have focused on the issue of Cuban combat forces in Angola as the key to unlock the door to an independent Namibia. In that regard:

—The Angolans tell us that the Cubans are there to protect Angola from South Africa. They can depart when that threat is removed; and essential conditions of peace are in place and have been tested.

—The South Africans say—most recently to the U.N. Secretary-General when he visited Cape Town—that they have no more Namibia issues and are prepared to implement 435 when an agreement on Cuban troop withdrawal has been reached. [85]

Surely it cannot be beyond the realm of human imagination to knit together these two positions. That is precisely what we are attempting to do. But let me be clear about the fact that the clock is ticking on this issue. To say so is not a negotiating ploy on my part; it is a fact. For our part, we are on the verge of our long, preoccupying Presidential season. Reasonable proposals are on the table. We need answers and soon. The dialog continues. But now is the time for decisions.

Any discussion of southern Africa would be woefully incomplete without observations on the East/West dimension of the situation.

Our critics sometime accuse us of injecting the cold war into the problems of the region or, at the least, of viewing its tribulations through a prism of anti-Soviet obsession. That is not true.

We did not inject the Soviets into southern Africa. Rather they accomplished that fact themselves, choosing to exploit Western disarray and paralysis to seek unilateral advantages for themselves in a distant region of no historic importance to any legitimate Soviet interest. We believe the reality of Soviet involvement in the region is as follows:

—Southern Africa is, practically speaking, well outside the Soviet Union's zone of primary interest, indeed of its secondary interests. We believe that Moscow is aware of that fact and, in reality, spends little time thinking about the area. That analysis disconcerts our South African friends—perhaps disappoints those who seek an easy explanation for South African problems—as they like to see themselves the target of a "total onslaught" by the Soviets. We do not believe they are.

—Nonetheless, there is a substantial Soviet presence in southern Africa as a result of opportunities offered and seized after the Portuguese revolution. But the Soviets—while aware that future opportunities may occur—should not wish to raise significantly their ante in the region;

—Concomitantly, we do not want to see new opportunities created, notably by South Africa.

—Finally, the Soviets suffer from their failures in the region—economically and militarily in Angola and Mozambique, politically in Zimbabwe. They are aware that there is substantial disenchantment over Moscow's role. This may increase their reluctance for further involvement. While we are frankly interested in diminishing the Soviet presence in the region, we do not see our policies as undercutting legitimate Soviet interests or precluding peaceful competition. At issue is the determination of the West to stand for change and peace in the region and to deter those who would convert these imperatives into a quest for narrow advantage, which will inevitably lead to a bloodbath in the region and aggravated international tension. I have covered a great deal of ground this evening and I should now close to allow time for questions and comments. Let me make two final points. I

[85] See document 554.

have worked on southern African affairs for many years, and have known many southern Africans as I noted in my opening remarks. I am well aware of the area's problems; also of its potential. In that regard, I recall the bitter conclusion of Shiva Naipaul's book "North of South" in which he suggested that the peoples of southern Africa—black and white—who in common in his view are xenophobic, selfish, and blind—ironically deserve each other somehow. I believe that the peoples of southern Africa can share a prosperous future. But I have learned that above all they must create that future—not you, nor I, nor others can do it for them.

That said, southern Africa is adrift today; given the interests which all of us in the West have in the area, we must be involved and proceed from a common vision of a strategy toward the region and our responsibilities to it. Those on the left or the right, who seek moral satisfaction through a retreat to condemnation of what we do not like endanger key Western interests in southern Africa as well as the region's future. Responsibility did not end with the decolonization. In a real sense it began anew; we have before us an historic opportunity to help shape events, if we are prepared to be involved.

The United States is committed to using its influence to stem the polarization of the region. We are building our leverage as carefully as possible with all parties in southern Africa, precisely so that American influence can be brought to bear in a way that will make a difference. We seek a partnership with our friends in the West. It is a partnership not only between governments; it is a collaborative effort which must include business, labor, church, intellectual, and citizen organizations.

That is why I have traveled this far to be with you tonight.

Document 560

Statement by the Alternate Representative (Keyes) Before the U.N. General Assembly, November 15, 1983 [86]

The U.S. Position on U.N. General Assembly Resolution 38/11

Thank you, Mr. President. The apartheid system in South Africa rests upon the twin premises of absolute racial exclusivity and inherent white racial superiority. Building upon these premises the architects of apartheid have constructed and attempted to justify a system of political, social and economic injustice that denies fundamental human rights to South Africa's black population. The Government and people of the United States reject the false premises of apartheid. We abhor the system of oppression erected upon those premises. We condemn the denial of fundamental rights to South Africa's majority black population. We stand by the principles, fundamental to our identity as a nation, that "all men are created equal, that they are endowed by their Creator with certain inalienable rights" and that no government can claim legitimacy which denies that equality and systematically violates those rights. By virtue of our adherence to these principles, painfully vindicated through civil war, legal arbitration, and nonviolent mass protest against injustice, the American people are the enemies of apartheid, as we are the enemies of any system that denies the common dignity and attendant rights of human beings.

The issue raised by the resolution [87] before us, therefore, is not between those who oppose apartheid and those who do not. The issue is how best to encourage practical steps away from the apartheid system, which we all strongly believe to be illegitimate and unjust. As we have repeatedly stated, it is not appropriate for the U.S. Government or for this body to propose, endorse or condemn any particular blueprint for political change in South Africa. This applies especially to the pro-

[86] Source: U.S. Mission to the United Nations Press Release USUN 142-(83), November 15, 1983.

[87] Reference is to U.N. General Assembly Resolution 38/11, *infra*.

posals just approved by the white voters of South Africa. We believe that the 66 percent "yes" vote by South Africa's white electorate in the recent referendum is a reflection of a growing consensus within that electorate of the need to move forward toward broader participation by all South Africans in the country's political process. In that sense, November 2, 1983, is a potentially significant date in the modern history of South Africa. As a multiracial democracy, the United States can only welcome a collective decision by a clear majority of white South African voters to take a step which opens the way to constructive, evolutionary change toward a system based on the consent of all South Africa's citizens, over 80 percent of whom are not white. The referendum results also indicate that the South African Government now has a firm and broad mandate to move decisively along this road so that South Africans of all races can enjoy the blessings of an open society and the chance to participate in all sectors of human endeavour without regard to race. It is our hope that the South African Government will use this mandate to address the problem of the political rights of South Africa's black majority—for the sake of the people of South Africa and southern Africa, and for the sake of its relations with the rest of the world, including the United States.

With that hope in mind, we strongly disagree with those who believe that a resolution condemning the proposed constitutional changes will make a positive contribution to the process of change. The people of the United States know from their own experience how painful and difficult the process of achieving racial justice can be. We know as well that in that process steps which break down the psychological foundations of racial animosity can make an important contribution to the ultimate goal. We realize that neither the South African Government nor the people of South Africa have attained that goal. A long road, fraught with difficult and painful decisions, lies before them. To follow the path that leads to justice will require courage, prudence and true statesmanship. The international community has an obligation to do everything within its power to encourage and fortify those within South Africa, black and white, willing to display and act upon these qualities. We believe that the resolution before us, especially in its harsh preambulatory language and in the language of paragraph 1, will have the opposite effect—that it will dishearten those working for positive change and encourage those who oppose it. Therefore, precisely because we believe that constructive, evolutionary change is the imperative of South Africa's better destiny, we cannot join in supporting it.

Document 561

Resolution 38/11, Adopted by the U.N. General Assembly, November 15, 1983 [88]

U.N. General Assembly Rejection of the Proposed New Racial Constitution of South Africa

The General Assembly,

Recalling its many resolutions and those of the Security Council calling on the authorities in South Africa to abandon *apartheid*, end oppression and repression of the black majority and seek a peaceful, just and lasting solution in accordance with the principles of the Charter of the United Nations and the Universal Declaration of Human Rights, [89]

Reaffirming that *apartheid* is a crime against humanity and a threat to international peace and security,

Gravely concerned that the so-called "constitutional proposals" endorsed, on 2 November 1983, by the exclusively white electorate in South Africa further entrench *apartheid*,

Convinced that the aim of the so-called "constitutional proposals" is to deprive the indigenous African majority of all fundamental rights, including the right of citizenship, and to transform South Africa into a country for "whites only", in keeping with the declared policies of *apartheid*,

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[88] Source: U.N. General Assembly, *Official Records, Thirty-eighth Session, Supplement No. 47* (A/38/47), pp. 22–23. This resolution was adopted by a vote of 141 to 0, with 7 abstentions (including the United States).

[89] Resolution 217 A (III). [Footnote in the source text.]

Aware that the inclusion in the "constitutional proposals" of the so-called "coloured" people and people of Asian origin is aimed at dividing the unity of the oppressed people of South Africa and fomenting internal conflict,

Noting with grave concern that one of the objectives of the so-called "constitutional proposals" of the racist régime is to make the "coloured" people and people of Asian origin in South Africa eligible for conscription into the *apartheid* armed forces for further internal repression and aggression against independent African States,

Welcoming the united resistance of the oppressed people of South Africa against these "constitutional" manoeuvres,

Reaffirming the legitimacy of the struggle of the oppressed people of South Africa for the elimination of *apartheid* and for the establishment of a society in which all the people of South Africa as a whole, irrespective of race, colour or creed, will enjoy equal and full political and other rights and participate freely in the determination of their destiny,

Firmly convinced that the implementation of these "constitutional proposals" will further aggravate the already explosive situation prevailing inside *apartheid* South Africa,

1. *Declares* that the so-called "constitutional proposals" are contrary to the principles of the Charter of the United Nations, that the results of the referendum are of no validity whatsoever and that the enforcement of the proposed "constitution" will inevitably aggravate tension and conflict in South Africa and in southern Africa as a whole;

2. *Rejects* the so-called "constitutional proposals" and all insidious manoeuvres by the racist minority régime of South Africa further to entrench white minority rule and *apartheid*;

3. *Further rejects* any so-called "negotiated settlement" based on bantustan structures or on the "constitutional proposals";

4. *Solemnly declares* that only the total eradication of *apartheid* and the establishment of a non-racial democratic society based on majority rule, through the full and free exercise of adult suffrage by all the people in a united and non-fragmented South Africa, can lead to a just and lasting solution of the explosive situation in South Africa;

5. *Urges* all Governments and organizations to take appropriate action, in co-operation with the United Nations and the Organization of African Unity and in accordance with the present resolution, to assist the oppressed people of South Africa in their legitimate struggle for a non-racial democratic society;

6. *Requests* the Security Council, as a matter of urgency, to consider the serious implications of the so-called "constitutional proposals" and to take all necessary measures, in accordance with the Charter, to avert the further aggravation of tension and conflict in South Africa and in southern Africa as a whole.

Document 562

Transcript of the Department of State Daily Press Briefing, November 29, 1983 (Extract) [90]

U.S. Opposition to the Magopa Village Move

. . . . . .

Q. John, as you know, in South Africa, an African village near Johannesburg was ordered to be demolished or evacuated by the South African Government recently. [91] It caused quite a bit of comment. It's the village of Magopa, I guess is how you pronounce it. The evacuation of 300 families because evidently they were in the wrong place as far as the South African Government is concerned.

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[90] Source: Office of Press Relations, Department of State. John Hughes, Department of State Spokesman, conducted the briefing which began at noon.

[91] On November 18, 1983, the residents of Magopa village in South Africa were informed of a Presidential decree ordering them off the land under the terms of legislation enacted in 1927 on the administration of black people in South Africa. That legislation provided that the President of South Africa could move black people from one location to another, and also barred blacks from ever returning to the location whence they were moved.

Does the Department have any comment on what is happening in that place?

A. Yes. The United States has consistently made clear its view that South Africa's problems cannot be addressed constructively by the arbitrary relocation of peoples on an ethnic or racial basis within South Africa. The South African Government is aware of our view that political progress within South Africa will continue to depend on a dialogue among all its citizens. Statements by senior South African Government officials, including Prime Minister Botha, in the wake of the November 2 referendum, would suggest a commitment on the part of the South African Government itself to such a dialog. But we believe the relocation of the residents of Magopa would not contribute to the prospects for a constructive outcome of that dialog. We deplore any action by any government to remove citizens from their homes forcibly or to destroy their property.

. . . . . .

Document 563

Resolution 38/36 B, Adopted by the U.N. General Assembly, December 1, 1983 [92]

Implementation of Security Council Resolution 435 (1978)

The General Assembly,

Indignant at South Africa's refusal to comply with Security Council resolutions 385 (1976) of 30 January 1976, 431 (1978) of 27 July 1978, 435 (1978) of 29 September 1978, 439 (1978) of 13 November 1978 and 532 (1983) of 31 May 1983 and at its manoeuvres aimed at gaining international recognition for illegitimate groups which it has installed in Namibia, and which are subservient to Pretoria's interests, in order to maintain its policies of domination and exploitation of the people and natural resources of Namibia,

Reaffirming the imperative need to proceed without any further delay with the implementation of Security Council resolution 435 (1978), which, together with Council resolution 385 (1976), is the only basis for a peaceful settlement of the question of Namibia,

Condemning the attempts by South Africa and the United States of America to continue to deny the Namibian people their inalienable right to self-determination and independence by linking the independence of Namibia with totally irrelevant and extraneous issues,

Reaffirming that the Cuban forces are in Angola by a sovereign act of the Government of Angola, in accordance with the provisions of the Charter of the United Nations, and that the attempts to link their presence in that country with Namibia's independence constitute interference in the internal affairs of Angola,

Reaffirming that the only parties to the conflict in Namibia are, on the one hand, the Namibian people represented by the South West Africa People's Organization, their sole and authentic representative, and, on the other, the racist regime of South Africa which illegally occupies Namibia,

Recalling its request to the Security Council, in the light of the serious threat to international peace and security posed by South Africa, to respond positively to the overwhelming demand of the international community by immediately imposing comprehensive mandatory sanctions against that country as provided for in

[92] Source: U.N. General Assembly, *Official Records: Thirty-eighth Session, Supplement No. 47* (A/38/47), pp. 30–31. This resolution, introduced by India, was adopted by a vote of 121 to 0, with 26 abstentions (including the United States). Resolution 38/36 A, Situation in Namibia resulting from the illegal occupation of the Territory by South Africa, was adopted by a vote of 117 to 0, with 28 abstentions; text *ibid.*, pp. 25–30. Resolution 38/36 C, Programme of work of the United Nations Council for Namibia, was adopted by a vote of 144 to 0, with 5 abstentions; text *ibid.*, pp. 31–32. Resolution 38/36 D, Dissemination of information and mobilization of international public opinion in support of Namibia, was adopted by a vote of 122 to 0, with 22 abstentions; text *ibid.*, pp. 33–34; and Resolution 38/36 E, United Nations Fund for Namibia, was adopted by a vote of 144 to 0, with 5 abstentions; text *ibid.*, pp. 34–36. The United States abstained on all these votes.

Chapter VII of the Charter of the United Nations,

Recalling its call upon all States, in view of the threat to international peace and security posed by South Africa, to impose comprehensive mandatory sanctions against that country in accordance with the provisions of the Charter, [93]

Taking note of the further reports of the Secretary-General dated 19 May 1983 [94] and 29 August 1983 [95] concerning the implementation of Security Council resolutions 435 (1978) and 439 (1978) concerning the question of Namibia,

1. *Strongly condemns* South Africa for obstructing the implementation of Security Council resolutions 385 (1976), 435 (1978), 439 (1978) and 532 (1983) and for its manoeuvres, in contravention of those resolutions, designed to consolidate its colonial and neo-colonial interests at the expense of the legitimate aspirations of the Namibian people for genuine self-determination, freedom and national independence in a united Namibia;

2. *Reaffirms* the direct responsibility of the United Nations for Namibia pending its achievement of genuine self-determination and national independence;

3. *Reiterates* that Security Council resolution 435 (1978), in which the Council endorsed the United Nations plan for the independence of Namibia, is the only basis for a peaceful settlement of the question of Namibia and demands its immediate and unconditional implementation without qualification, modification or amendment or the introduction of extraneous and irrelevant issues of "linkage", "parallelism" or "reciprocity" insisted upon by the United States of America and South Africa;

4. *Emphasizes once again* that the only parties to the conflict in Namibia are, on the one hand, the Namibian people represented by the South West Africa People's Organization, their sole and authentic representative, and, on the other, the racist régime of South Africa, which illegally occupies Namibia;

5. *Demands* that South Africa urgently comply fully and unconditionally with the resolutions of the Security Council, in particular resolutions 385 (1976) and 435 (1978) and subsequent resolutions of the Council relating to Namibia;

6. *Firmly rejects and condemns* the persistent attempts by the United States of America and South Africa to establish a linkage or parallelism between the independence of Namibia and any extraneous and irrelevant issues, in particular the presence of Cuban forces in Angola, and emphasizes unequivocally that all such attempts are designed to delay the decolonization process in Namibia and that they constitute interference in the internal affairs of Angola;

7. *Calls upon* all States to condemn and reject any attempt to link the independence of Namibia with extraneous and irrelevant issues;

8. *Expresses its dismay* at the fact that the Security Council has been prevented by its three Western permanent members from adopting effective measures against South Africa in the discharge of its responsibilities for the maintenance of international peace and security, and considers that comprehensive and mandatory sanctions under Chapter VII of the Charter of the United Nations, if universally and effectively implemented, would ensure South Africa's compliance with the decisions of the United Nations;

9. *Requests* the Security Council to exercise its authority with regard to the implementation of its resolutions 385 (1976), 435 (1978) and 532 (1983) so as to bring about the independence of Namibia without further delay, and to act decisively against any dilatory manoeuvres and fraudulent schemes of the South African administration in Namibia aimed at frustrating the legitimate struggle of the Namibian people for independence;

10. *Urges* the Security Council to impose comprehensive mandatory sanctions against the racist régime of South Africa under Chapter VII of the Charter, in order to ensure the total cessation of all co-operation with that régime, particularly in the military and nuclear fields, by Governments, corporations, institutions and individuals;

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[93] See resolution ES/8-2. [This footnote and all succeeding footnotes to this document occur in the source text.]

[94] *Official Records of the Security Council, Thirty-eighth Year, Supplement for April, May and June 1983*, document S/15776.

[95] *Ibid., Supplement for July, August and September 1983*, document S/15943. [For an extract, see document 554.]

11. *Requests* the Secretary-General to report to the General Assembly at its thirty-ninth session on the implementation of the present resolution.

Document 564

Resolution 38/39 A and G, Adopted by the U.N. General Assembly, December 5, 1983 (Extracts) [96]

Policies of Apartheid of the Government of South Africa

A

SITUATION IN SOUTH AFRICA

The General Assembly,

Recalling and reaffirming its resolution 37/69 of 9 December 1982,

Having considered the report of the Special Committee against *Apartheid*, [97] as well as its special report on recent developments concerning relations between Israel and South Africa, [98]

Taking note of the declarations of conferences organized or co-sponsored by the Special Committee, namely, the International Conference of Trade Unions on Sanctions and Other Actions against the *Apartheid* Régime in South Africa, held at Geneva on 10 and 11 June 1983, [99] the International Conference for Sanctions against *Apartheid* in Sports, held in London from 27 to 29 June 1983, [1] the International Non-Governmental Organizations Conference on Action against *Apartheid* and Racism, held at Geneva from 5 to 8 July 1983, [2] the International Conference on the Alliance between South Africa and Israel, held at Vienna from 11 to 13 July 1983, [3] and the Latin American Regional Conference for Action against *Apartheid*, held at Caracas from 16 to 18 September 1983, [4]

Gravely concerned over the threat to international peace and security, and repeated breaches of the peace and acts of aggression, caused by the policies and actions of the racist minority régime of South Africa,

Condemning the racist minority régime of South Africa for its repeated defiance of the United Nations, its oppression of the great majority of the people of South Africa and its ruthless repression of all opponents of *apartheid*,

Strongly condemning the execution of Simon Mogoerane, Jerry Mosololi and Thabo Motaung, members of the African National Congress of South Africa, in defiance of appeals by the General Assembly and the Security Council,

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[96] Source: U.N. General Assembly, *Official Records: Thirty-eighth Session, Supplement No. 47* (A/38/47), pp. 36–38 and 40–41. Resolution 38/39 A was adopted by a vote of 124 to 16 (including the United States), with 10 abstentions; Resolution 38/39 B, Programme of Action against Apartheid, was adopted by a vote of 128 to 2 (including the United States), with 22 abstentions; text *ibid.*, p. 38; Resolution 38/39 C, Effects of apartheid on the countries of southern Africa, was adopted by a vote of 146 to 2 (including the United States), with 4 abstentions; text *ibid.*, pp. 38–39; Resolution 38/39 D, Sanctions against South Africa, was adopted by a vote of 122 to 10 (including the United States) with 18 abstentions; text *ibid.*, pp. 39–40; Resolution 38/39 E, Programme of work of the Special Committee against Apartheid, was adopted by a vote of 149 to 1 (the United States), with 2 abstentions; text *ibid.*, p. 40; Resolution 38/39 F, Relations between Israel and South Africa, was adopted by a vote of 106 to 18 (including the United States), with 17 abstentions; text *ibid.*; Resolution 38/39 G, Military and nuclear collaboration with South Africa, was adopted by a vote of 122 to 9 (including the United States), with 17 abstentions; text printed above; Resolution 38/39 H, United Nations Trust Fund for South Africa, was adopted by consensus; source text, pp. 41–42; Resolution 38/39 I, Investments in South Africa, was adopted by a vote of 140 to 1 (the United States), with 9 abstentions; text *ibid.*, p. 42; Resolution 38/39 J, Oil embargo against South Africa, was adopted by a vote of 130 to 6 (including the United States), with 14 abstentions; text, *ibid.*; and Resolution 38/39 K, Apartheid in sports, was adopted by a vote of 145 to 1 (the United States), with 6 abstentions; text *ibid.* A footnote to the title reads: "See also sect. I, footnote 7, and sect. X.B.3, decision 38/407."

[97] *Official Records of the General Assembly, Thirty-eighth Session, Supplement No. 22* (A/38/22). [This and all succeeding footnotes are in the source text.]

[98] *Ibid., Supplement No. 22A* (A/38/22/Add.1).

[99] A/38/272–S/15832, annex.

[1] A/38/310–S/15882, annex.

[2] A/38/309–S/15881, annex.

[3] A/38/311–S/15883, annex.

[4] A/38/451–S/16009, annex.

Reaffirming that *apartheid* is a crime against humanity,

Strongly convinced that peace and stability in southern Africa require the total eradication of *apartheid* and the exercise of the right of self-determination by all the people of South Africa, irrespective of race, colour or creed,

Convinced that the racist minority régime of South Africa has been encouraged to perpetrate those criminal acts by the protection accorded to it by major Western Powers against international sanctions and by their continued collaboration with it,

Recognizing that the policies and actions of certain Western Powers and Israel are the main obstacles that have frustrated international efforts for the elimination of *apartheid*,

Condemning, in particular, the increased collaboration by the Government of the United States of America with the racist régime of South Africa, in pursuance of its policy of so-called "constructive engagement", which has encouraged the racist régime to entrench *apartheid*, intensify repression and escalate aggression against and destabilization of independent African States,

Condemning the increasing collaboration by Israel with the racist minority régime of South Africa, particularly in the military and nuclear fields,

Rejecting the so-called "constitutional proposals" by the racist minority régime of South Africa as designed to entrench *apartheid*,

Commending the unity of the oppressed people of South Africa in their opposition to the constitutional proposals as well as in their struggle for the elimination of *apartheid* and for the establishment of a democratic and non-racial society in a non-fragmented South Africa,

Taking note of the advance of the armed struggle for liberation undertaken by the national liberation movements in the face of brutal repression of peaceful protest,

Recognizing that the legitimate struggle of the South African people for liberation from *apartheid* is a contribution to the objectives of the United Nations,

Reaffirming that the elimination of *apartheid* constitutes a major objective of the United Nations,

Considering that all the organizations of the United Nations system have a duty to make a maximum contribution, within their mandates, to the international campaign against *apartheid*,

1. *Endorses* the annual report of the Special Committee against *Apartheid* and its special report on recent developments concerning relations between Israel and South Africa;

2. *Declares* that the United Nations and the international community have a special responsibility towards the oppressed people of South Africa and their national liberation movements in their legitimate struggle for the elimination of *apartheid* and the establishment of a nonracial democratic society assuring human rights and fundamental freedoms to all the people of the country, irrespective of race, colour or creed;

3. *Again proclaims* that the national liberation movements of South Africa are the authentic representatives of the people of South Africa in their just struggle for national liberation;

4. *Recognizes* the right of the oppressed people and their national liberation movements to resort to all the means at their disposal, including armed struggle, in their resistance to the illegitimate racist minority régime of South Africa;

5. *Demands* that the racist minority régime of South Africa:

(a) Release persons imprisoned or restricted for their opposition to *apartheid*;

(b) Allow those who have been exiled for their opposition to *apartheid* to return unconditionally to their country;

(c) Rescind bans on political and other organizations and media opposed to *apartheid*;

(d) Terminate all political trials and all repressive measures against opponents of *apartheid*;

6. *Commends* the people of South Africa and their national liberation movements for the great advance in their struggle for national liberation;

7. *Commends* the oppressed people of South Africa and their national liberation movements, particularly the African National Congress of South Africa, for inten-

sifying the armed struggle against the racist régime of South Africa;

8. *Calls upon* all States and organizations to provide all necessary moral, political and material assistance to the South African liberation movements recognized by the Organization of African Unity at this crucial stage in their struggle for liberation;

9. *Reaffirms* that freedom fighters of South Africa should be treated as prisoners of war in accordance with Additional Protocol I [5] to the Geneva Conventions of 12 August 1949; [6]

10. *Strongly condemns* the *apartheid* régime of South Africa for its brutal repression of all opponents of *apartheid*, its torture and killing of detainees, its execution of freedom fighters and its repeated acts of aggression, subversion and terrorism against independent African States;

11. *Condemns* as an international crime the policy of "bantustanization" designed to dispossess the African majority of its inalienable rights and to deprive it of citizenship, as well as the continuing forced removal of black people;

12. *Condemns* the policies of certain Western States, especially the United States of America, and Israel, and of their transnational corporations and financial institutions that have increased political, economic and military collaboration with the racist minority régime of South Africa despite repeated appeals by the General Assembly;

13. *Again urges* the Security Council to determine that the situation in South Africa and in southern Africa as a whole, resulting from the policies and actions of the *apartheid* régime of South Africa, constitutes a grave and growing threat to international peace and security, and to impose comprehensive and mandatory sanctions against the racist minority régime under Chapter VII of the Charter of the United Nations;

14. *Urgently calls upon* the International Monetary Fund to terminate credits or other assistance to the racist minority régime of South Africa;

15. *Again requests* the International Atomic Energy Agency to refrain from extending to South Africa any facilities which may assist it in its nuclear plans and, in particular, to exclude South Africa from all its technical working groups;

16. *Calls upon* all States that have not yet done so to accede to the International Convention on the Suppression and Punishment of the Crime of *Apartheid*; [7]

17. *Decides* to continue the authorization of adequate financial provision in the regular budget of the United Nations to enable the South African liberation movements recognized by the Organization of African Unity—namely, the African National Congress of South Africa and the Pan Africanist Congress of Azania—to maintain offices in New York in order to participate effectively in the deliberations of the Special Committee and other appropriate bodies;

18. *Commends* the anti-*apartheid* and solidarity movements, religious bodies, trade unions, youth and student organizations and other groups engaged in campaigns for the isolation of the *apartheid* régime and assistance to the South African liberation movements recognized by the Organization of African Unity;

19. *Urges* all Governments to lend all appropriate assistance, including financial assistance, to such groups, especially in countries which continue to collaborate with the *apartheid* régime;

20. *Appeals* to journalists, writers, artists and other professionals working in the mass media, as well as their professional associations, to foster the role of the mass media in the dissemination of information commensurable with the urgent need to eradicate *apartheid*;

21. *Requests* the Secretary-General:

(a) To instruct all relevant units of the Secretariat and all United Nations offices to promote the international campaign against *apartheid* in co-operation with the Special Committee;

(b) To take all necessary measures to deny any facilities to, and to refrain from any investment in, corporations operating in South Africa;

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[5] A/32/144, annex I.

[6] United Nations, *Treaty Series*, vol. 75, Nos. 970-973.

[7] Resolution 3068 (XXVIII), annex.

(c) To enter into urgent consultations with the International Monetary Fund and the International Atomic Energy Agency to secure their full co-operation in action against *apartheid*, in accordance with the resolutions of the General Assembly;

(d) To prepare, in consultation with the executive heads of the organizations of the United Nations system, proposals for concerted action by all the agencies in the international campaign against *apartheid*;

22. *Requests* the Special Committee:

(a) To prepare a report reviewing the implementation of the resolutions of the General Assembly and the Security Council on the problem of *apartheid* and the acts of aggression by the racist régime of South Africa, and the policies and actions of States which have failed to co-operate in international action;

(b) To review developments concerning collaboration by the United States of America, Israel and other states with the racist regime of South Africa, and to report from time to time, as appropriate;

(c) To pay special attention to mobilizing public opinion and encouraging public action against collaboration with South Africa.

. . . . . .

G

MILITARY AND NUCLEAR COLLABORATION WITH SOUTH AFRICA

The General Assembly,

Reaffirming its resolutions on military and nuclear collaboration with South Africa, in particular its resolution 37/69 D of 9 December 1982,

Recalling its resolutions concerning the denuclearization of the continent of Africa,

Recalling also Security Council resolutions 418 (1977) of 4 November 1977, 421 (1977) of 9 December 1977 and 473 (1980) of 13 June 1980,

Recalling that the Security Council determined in resolution 418 (1977), under Chapter VII of the Charter of the United Nations, that the acquisition by South Africa of arms and related matériel constituted a threat to the maintenance of international peace and security,

Having considered the reports of the Special Committee against *Apartheid*, the International Conference on Sanctions against South Africa [8] and the International Conference on the Alliance between South Africa and Israel, [9]

Taking into account the Declarations of the Seventh Conference of Heads of State or Government of Non-Aligned Countries, held at New Delhi from 7 to 12 March 1983, [10] and the resolutions adopted by the Assembly of Heads of State and Government of the Organization of African Unity at its nineteenth ordinary session, held at Addis Ababa from 6 to 12 June 1983, [11]

Gravely concerned that, despite the arms embargo imposed by the Security Council, the racist regime of South Africa has continued to obtain from certain Western States and Israel military equipment and ammunition, as well as technology and know-how to develop its armaments industry and nuclear-weapon capability,

Noting with grave concern that military and nuclear collaboration by certain Western States and Israel with South Africa has enabled the racist régime to develop its arms production and become an arms-exporting country,

Recognizing that the stepped-up arms buildup and nuclear-weapon capability, as well as escalating acts of aggression by the racist régime of South Africa, constitute a grave threat to international peace and security,

Expressing alarm at the growing violation of the arms embargo, as well as the continued nuclear collaboration by the United States of America and some other Western States and Israel with the *apartheid* régime,

Condemning the actions of those transnational corporations that continue, through their collaboration with the racist régime of South Africa, to enhance its military

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[8] *Report of the International Conference on Sanctions against South Africa, Paris, 20–27 May 1981* (A/CONF.107/8).

[9] A/AC.115/L.595.

[10] See A/38/132-S/15675 and Corr.1 and 2, annex.

[11] A/38/312, annex.

and nuclear capabilities, as well as the failure of the Governments of the home countries of those corporations to take effective action to prevent such collaboration in accordance with the relevant resolutions of the United Nations,

Considering the urgent need for mandatory decisions by the Security Council, under Chapter VII of the Charter, to prohibit any military and nuclear collaboration with the racist régime of South Africa,

1. *Urges* the Security Council to take mandatory decisions, under Chapter VII of the Charter of the United Nations, to ensure the total cessation of all military and nuclear co-operation with the racist régime of South Africa by Governments, corporations, institutions and individuals;

2. *Strongly condemns* the actions of certain Western States and Israel which have provided the racist régime of South Africa with an enormous arsenal of military equipment and technology, as well as assistance in its nuclear plans, and which have allowed corporations under their jurisdiction to invest in the armaments industry in South Africa;

3. *Also condemns* the recent decision of the United States of America approving the request from seven corporations to provide technological and maintenance service to the nuclear installation of racist South Africa;

4. *Further condemns* any manoeuvres to create military pacts or arrangements with the participation of the racist régime of South Africa;

5. *Calls upon* all Member States:

(a) To monitor effectively and to reinforce the mandatory arms embargo against South Africa;

(b) To prohibit all military and nuclear co-operation with South Africa by Governments, corporations, institutions and individuals;

6. *Calls upon* all Governments that have not yet done so to terminate all military and nuclear collaboration with South Africa and to take all necessary measures for preventing corporations and enterprises under their jurisdiction from engaging in any such collaboration.

. . . . . .

Document 565

Statement by the Alternate Representative (Keyes) Before the U.N. General Assembly, New York, December 5, 1983 [12]

U.S. Reservations About U.N. General Assembly Resolution 38/39

Mr. President, the members of this distinguished body have heard my government's policies on the issues of southern Africa explained a number of times, most recently in this chamber on November 18. [13] We all abhor apartheid. We are all morally obliged to pursue policies that encourage its elimination.

Given this broad common ground among the members of this assembly, we are disappointed that once again these resolutions were presented without any serious attempt to negotiate their content and language which specifically impugns the good faith of the United States and other U.N. members on this issue. Moreover, they appear to us to be based upon a general approach to the task of eliminating apartheid that will make that task more difficult and more violent.

Further, we must object this year, as in previous years, to the continuing attempt to politicize in this manner such technical bodies as the International Monetary Fund and the International Atomic Energy Agency. We particularly note the paragraph in the resolution on the Situation in South Africa [14] which requests the IAEA to refrain from extending to South Africa any facilities which may assist in its nuclear plans and, in particular, to exclude South Africa from all IAEA technical working groups. We consider this to be an unwarranted intrusion into the internal affairs of the IAEA, an independent international organization with its own statutory requirements. Perhaps more significant, we do not understand how the attempt to keep southern Africa free of nuclear weapons can be advanced by barring South Africa from any contact with the organiza-

[12] Source: U.S. Mission to the United Nations Press Release USUN 167-(83), December 5, 1983.

[13] See *ibid.*, 151-(83), November 18, 1983.

[14] *Supra.*

tion especially charged with assisting in this effort. In this respect, the resolution in question is a paradigm of much that we find unhelpful, indeed, seriously damaging to a realistic effort to address the problems of South Africa.

Finally, Mr. President, we cannot but find objectionable the strident criticism of my government and a few others which a number of these resolutions contain. Why have the authors of these resolutions ignored the facts that are before them and disregarded the consideration that normally prevails among friendly governments in this forum? In this respect, I cite as an egregious but not unique example the charges contained in the resolution on Military and Nuclear Collaboration with South Africa,[15] and especially the accusation referring to the approval by the U.S. Government of bidding by American companies on a contract to provide advice and technical services to a South African firm whose commercial nuclear reactors provide electricity to a nationwide power grid. The approval represents not the slightest infringement of the arms embargo.

This issue was addressed by us in this chamber on October 14.[16] No one has since attempted to challenge the information provided at that time. The fact that the United States alone has been cited, although, as this Assembly has been informed, companies from a number of member states have bid on the same contracts, forces us to conclude that the paragraph in question was inserted not as a contribution to the anti-apartheid effort, but as an unjustified attempt to single out the United States for criticism.

In closing, I wish to express our desire to continue to cooperate with all men of good will in positive efforts to bring about an end to apartheid. We look forward to the day when resolutions framed in a truly constructive spirit will deserve and obtain the unanimous support of all who, like ourselves, are committed to the promotion of justice in South Africa.

[15] *Ibid.*

[16] See document 555.

Document 566

Resolution 545 (1983), Adopted by the U.N. Security Council, December 20, 1983 [17]

U.N. Security Council Condemnation of South African Occupation of Parts of Angola

The Security Council,

Having heard the statement of the Permanent Representative of Angola to the United Nations,

Deeply concerned at the continued occupation of parts of southern Angola by the South African military forces in flagrant violation of the principles and objectives of the Charter of the United Nations and of international law,

Gravely concerned at the massive loss of human life and extensive destruction of property brought about by the continuing attacks against and military occupation of the territory of the People's Republic of Angola,

Recalling its resolutions 387 (1976), 428 (1978), 447 (1979), 454 (1979) and 475 (1980),

Bearing in mind that in accordance with Article 2, paragraph 4, of the Charter of the United Nations, all Member States shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any State or in any other manner inconsistent with the purposes of the Charter,

Conscious of the need to take effective measures to maintain international peace and security in view of South Africa's continued violation of the Charter of the United Nations,

1. *Strongly condemns* South Africa's continued military occupation of parts of southern Angola which constitutes a flagrant violation of international law and of

[17] Source: U.N. Security Council Resolution 545 (1983), December 20, 1983. This resolution was adopted by a vote of 14 to 0, with 1 abstention (the United States).

the independence, sovereignty and territorial integrity of Angola;

2. *Declares* that the continued illegal military occupation of the territory of the People's Republic of Angola is a flagrant violation of the sovereignty, independence and territorial integrity of Angola and endangers international peace and security;

3. *Demands* that South Africa should unconditionally withdraw forthwith all its occupation forces from the territory of Angola and cease all violations against that State and henceforth scrupulously respect the sovereignty and territorial integrity of the People's Republic of Angola;

4. *Considers*, moreover, that Angola is entitled to appropriate redress for any material damage it has suffered;

5. *Calls upon* all Member States to desist from any action which would undermine the independence, territorial integrity and sovereignty of the People's Republic of Angola;

6. *Requests* the Secretary-General to monitor the implementation of the present resolution and report accordingly to the Security Council;

7. *Decides* to remain seized of the matter.

Document 567

Statement by the Representative at the United Nations (Kirkpatrick) in the U.N. Security Council, December 20, 1983 [18]

Explanation of the U.S. Abstention on the Angolan Complaint Against South Africa

Mr. President, my country, together with a good many others, has been deeply involved for a number of years in the quest for peace in southern Africa and the quest for independence for Namibia, and the quest for the pacification of that troubled area. We remain today deeply involved in that quest. This effort has been and remains an issue of high priority for the United States. In the course of our quest we have consulted closely with Angola, South Africa, and other interested states in and out of the region, who also seek peace in the region. The Namibian political parties, our Contact Group partners, other African governments, the Secretary-General—all of us have spoken together again and again in the search for peace in this troubled region. The Secretary-General's role in this process has been particularly constructive. We are all indebted to him for his constructive involvement in this search for peace in the region.

Mr. President, the South African commitment to begin a disengagement of its "forces which from time to time conduct military operations against SWAPO in Angola, on January 31, 1984," was announced in a letter of December 15th [19] and represents, in our judgment, a major new step in this arduous process. We welcome this public announcement of a readiness to disengage its forces. We believe this step has the potential to contribute substantially to a climate that could facilitate further movement in southern African negotiations, and we hope that conditions on the ground will permit a cease-fire as soon as possible.

A durable settlement of the problems of southern Africa clearly depends on mutual respect for the essential principles of sovereignty and territorial integrity of all states in the region. We further believe that such a settlement, if it is to be achieved, must take account of the security of all in the region. We would, therefore, hope that once a cease-fire comes into effect it would extend beyond the initial 30-day period proposed by the South African Government, in order that these conditions have a chance to take hold.

The South African announcement underscores the validity of the effort in

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[18] Source: U.S. Mission to the United Nations Press Release USUN 185-(83), December 20, 1983.

[19] In the letter of December 15, 1983, from South African Foreign Minister R.F. Botha to U.N. Secretary-General Pérez de Cuéllar, South Africa offered to disengage its forces from operations in Angola for 30 days beginning January 31, 1984, and to extend the disengagement on condition that Angolan forces, SWAPO, and the Cubans would not exploit the situation by "actions which might threaten the security of the inhabitants of SWA/Namibia." (U.N. document S/1629, p. 2)

which we and our Contact Group partners have been and are involved. We continue to believe this effort provides the best hope of bringing lasting peace to the area. The questions before us now are essentially these: Do we seize on this significant new development, this hopeful and encouraging first step, and allow it to be considered and tested by those most directly involved? Or do we reject it out of hand as meaningless and choose instead to engage in this forum in fruitless recriminations? The alternatives are clear and so should the answer be clear—to all who genuinely seek peace in the region.

The position of my government is, in any case, clear: We are deeply concerned with the escalating cycle of violence in southern Africa. We are particularly disturbed about the problem of crossborder violence. We have urged and will continue to urge military restraint and respect for national boundaries. We do not believe there are military solutions to the conflicts in southern Africa. The policies of the United States are grounded in the belief that negotiated solutions are both possible and essential. Crossborder violence cannot be condoned, whether it be in the form of terrorist attacks by externally based organizations or a violation of the territorial integrity of Angola by South African forces. Neither contributes to the process of building a structure of peace which is so ardently desired by all those who live in the region.

Our own effort to pursue peace in southern Africa is moving forward actively through contacts with the states most directly involved. We are in close and regular touch with the states of the region. We will do nothing which will jeopardize this delicate and, we believe, hopeful peace process. Our position in this debate is shaped primarily by our commitment to achieving results in the ongoing negotiations.

Mr. President, each of us must decide whether to pursue the new hope toward peaceful reconciliation, or to bury it in mistrust and condemnations. For my government the choice is clear: We do not intend to let this opportunity pass us by. Thus, we have abstained on the draft resolution. [20]

[20] *Supra.*

Document 568

Transcript of the Department of State Daily Press Briefing, December 27, 1983 (Extracts) [21]

U.S. Call For an End to Violence in Angola To Permit Disengagement To Occur

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[MR. HUGHES.] I have an announcement on Angola. We've seen reports suggesting apparent conflict between military activity in southern Angola [22] and diplomatic efforts to produce a disengagement of forces and an overall settlement. The South African Government has proposed a disengagement of forces in southern Angola with an effective date of January 31.

The United States believes that this development offers an opportunity to begin a process of disengagement of conflicting military forces and a reduction in the levels of violence. The United States has seen nothing to suggest that this opening is unacceptable to any of the parties, and we believe it should provide a useful basis for exploring practical ways of implementing a cease-fire which should be the first step toward a broader settlement leading to implementation of U.N. Security Council Resolution 435.

An atmosphere of confidence is crucial at this important juncture of events in the region. We're concerned at reports of wide-scale fighting inside southern Angola and hope that all sides will exercise restraint so as not to jeopardize the prospects for exploring the disengagement proposal.

The United States is willing to assist this process in any way it can and is so in-

[21] Source: Office of Press Relations, Department of State. John Hughes, Department of State Spokesman, conducted the briefing which began at 12:37 p.m.

[22] South African forces began an offensive against SWAPO guerrilla bases in Angola on December 24, 1983.

dicating to the various parties, including our Contact Group partners.

. . . . . .

Q. The Angolan Government at the United Nations—I think it was early last week or late the week before—said they weren't interested in pursuing this proposal at this time and took the position which is backed by the Security Council that South African forces have no right in any case to be in Angola. [23]

What is your position on this, especially in light of the reports of the recent fighting by a considerable number of South African aircraft and forces?

A. Clearly that the fighting is not helpful, and that we and others will do whatever we can to bring that to an end, but we do not believe that the South African Government's initiative is barren. We have not seen anything which indicates that it is no longer valid.

Q. Do we have any statement with respect only to the South African Government's military presence and recent offensive in Angola? Why aren't we condemning that particular initiative by them and instead using this very general thing which takes South Africa's position in terms of how a disengagement can—

A. I think you're misrepresenting what we said. I don't think that the condemnation of violence excludes the current activity.

[23] Reference presumably is to the statements by Angolan Representative Elisio de Figueiredo in the U.N. Security Council on December 16 and 20, 1983; for texts, see U.N. Documents S/PV.2504, December 16, and S/PV.2508, December 20, 1983. In a letter of December 31, 1983, to U.N. Secretary-General Pérez de Cuéllar, Angolan President José Eduardo dos Santos stated that Angola "would not oppose the establishment of a truce of 30 days after 31 January," if SWAPO agreed to it, and if South Africa "withdraws its military units from Angolan territory and solemnly promises to initiate the implementation, within 15 days after that period, of resolution 435 (1978) on Namibia, without extraneous considerations in that context." (U.N. document S/16245)

C. Zaire, Zambia, Zimbabwe

Document 569

Testimony by the Assistant Secretary of State for African Affairs (Crocker) Before a Subcommittee of the Senate Foreign Relations Committee, March 8, 1983 (Extracts) [1]

Reasons For U.S. Support For Zimbabwe

. . . . . .

SENATOR HELMS. Mr. Secretary, I do not want to be critical of you, and I am not, but think back over your responses to the questions I have asked and you have not even implied any criticism of the Mugabe regime. Do you have none?

MR. CROCKER. If you ask the question in those broad terms, I am fully prepared to answer, sir. We have made clear, whenever we have seen practices and policies that we have problems with, we have made clear to the Government of Zimbabwe in the diplomatic channel, as we prefer to do, precisely what our concerns were. We have done so at the highest levels of our Government.

That concerns issues such as the rule of law, the right of defendants to legal counsel, the right of people to a fair trial, all sorts of due process kinds of issues which have arisen, as you know, during the past year. We have made clear those concerns at my level and above, and I would emphasize that our Vice President was there within the past few months, and very clearly made our views known on a number of these issues of rule of law.

As concerns other things that are being done in Zimbabwe that we read about in

[1] Source: *Security and Development Assistance: Hearings Before the Committee on Foreign Relations, United States Senate, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 441, 443–444. Crocker testified before the Subcommittee on African Affairs.

the papers more recently, we have also made very clear our concerns. We cannot condone and do not condone the use of government force, violent means, against civilians, which appears to be going on recently. We have said so both publicly and privately. So I do not think it would be fair to characterize our position as having nothing critical to say about the Zimbabwe Government.

. . . . . .

SENATOR HELMS. Now, you are asking for $75 million in economic support funds. I guess what I am driving at, Mr. Secretary, is would this money go to support a one-party Marxist system that Mr. Mugabe is building?

MR. CROCKER. Senator, I think that we should step back for a moment to look at what we pledged to support in 1981. We made a 3-year commitment at the Zimcord Conference in Zimbabwe of $75 million a year for 3 years. We made it in the context of Western donor effort, overwhelmingly Western donor effort, to seek to stabilize that economy and assist it during the transition that it was undergoing.[2]

We believe that our program in Zimbabwe has had significant impact and in fact has become a model program in the eyes of many other donors, precisely because it has been fast in its effects in getting resources to the foreign currency starved private sector, and bolstering what we believe on balance is a pragmatic economic program which means a mixed economy.

And despite the public statements often made that this will be a Marxist system, if you look at the actions and the policies in practice, there has been significant evidence of a desire by the government to reassure the private sector, to reassure the white minority. This has produced, in fact, dramatic results in increased agricultural output by both the white farming community and the black farming community so that there are some results from our program.

Looked at then, if I could summarize, in the economic sense we believe the program has been remarkably effective. Obviously, we are not interested in supporting one-party police states when there are better alternatives. We have made our views known about any trend toward government repression, and we do not believe that those sorts of means will solve Zimbabwe's problems. We have said so.

. . . . . .

[2] On March 24, 1981, the Reagan administration announced a commitment to give $75 million in economic aid to Zimbabwe over a 3-year period, subject to congressional approval. The pledge was made on the second day of the Zimcord conference, held in Harare, March 23–27, 1981. The conference was attended by representatives of 31 nations and 26 international organizations. For further information, see *American Foreign Policy: Current Documents, 1981*, pp. 1068 and 1139–1140.

Document 570

Transcript of a Department of State Press Briefing, March 29, 1983 (Extracts)[3]

Visit of Zambian President Kaunda

SENIOR STATE DEPARTMENT OFFICIAL. Let me tell you a little bit about this visit and its genesis. It's part of the continuum of consultations that we've had with the Zambians over the years. Kenneth Kaunda is no stranger to Washington. I think it's his fourth trip here.[4]

This is an official working visit. The emphasis will be on substance. He will arrive this afternoon from Paris. He has been in Paris, he's been in London, he's been in Cyprus. He will go on from here to Cape Verde, and then to Algiers.

He will arrive here this afternoon. He meets with the President tomorrow, meets with the Secretary tomorrow. The Vice President will give him a dinner the next day. He will meet with other high-level administration officials, with Congressmen,

[3] Source: Department of State files. The briefing was conducted on background by a senior Department of State official and by a senior administration official. President Kaunda visited Washington, March 29–April 2, 1983.

[4] President Kaunda visited the United States on an informal visit on April 19, 1975, and on a state visit, May 16–22, 1978.

with officials of the international financial institutions before departing I think early on Saturday morning.

Kenneth Kaunda is the first southern African leader, or frontline states leader, to visit the United States in this administration. He is one of Africa's senior statesmen. His views on southern African issues are respected and sought by this government, and that's the reason why he's coming.

This is not going to be a negotiating session on southern African issues. It is going to be an exchange of views, a consultation, and part of a series of consultations that began when Vice President Bush went to Lusaka last November.[5] We're looking forward to having him here, and the community here will spend a lot of time listening to his views.

I think that is all I want to say at the outset. I think economic issues will come into the discussion as well, but the focus will probably be on the southern African issues.

Let me throw the session open and bring my colleague up here to provide some broader context of his own.

SECOND SENIOR ADMINISTRATION OFFICIAL. I might just add that, as my colleague has said, President Kaunda has been the leader of his country since its independence. Some would say since before its independence. He's a major figure in the nonaligned movement, obviously, as well. He has many things he'll want to talk about that go beyond immediate issues in his own neighborhood, I'm sure of that.

Everyone who's followed African events closely over the years is well aware that he's been a central player in the search for a negotiated peaceful change in southern Africa for decades, a major player in the Rhodesian conflict era, a major victim of that war, as a matter of fact—Zambia—and has an important interest as well in another neighbor, namely, Namibia.

He is a leader who has in the past taken important stands for peace, even when it meant that he was out front of some of his friends. He is a man of, obviously, considerable experience. We intend to profit from hearing his views directly. And he is in every sense a major figure among the frontline leaders, although he is not the Chairman of the frontline, a title that is reserved for the President of Tanzania.[6]

He lives very close by to many of the more important conflicts in southern Africa; therefore, he's intimately involved in all these questions.

I think I'll just stop there, and then my colleague and I will be happy to take any questions there might be.

Q. Is there any special urgency about this visit or is it just one of those things that turns up on the diplomatic calendar?

SECOND OFFICIAL. No. I wouldn't say there's any special urgency about it. There's been preparation for some time on it. The invitation for it I believe—correct me if I'm wrong—was actually transmitted during the Vice President's visit, is that correct?

FIRST OFFICIAL. In November, yes.

. . . . . .

Q. Since we're on background, could one of you tell us what President Kaunda's position is on the question of Cuban troops in Angola?

FIRST OFFICIAL. He has made no secret of his sense that the linkage, as it's put by the frontline states, between these two issues is extraneous to the Namibian independence process. That is the standard frontline states' position and he adheres to that.

. . . . . .

Q. Is there any U.S. aid to Zambia?

FIRST OFFICIAL. Yes. We have been providing over the last several years an average of about $30 million a year. In some years it's been higher; in some years it's been lower. This year it will be about that, focused on agriculture. The Zambian Government is trying to develop their agricultural sector, and the United States is working with them to support that emphasis. Our aid takes the form of P.L. 480 food assistance, commodity import assist-

[5] See *American Foreign Policy: Current Documents, 1982*, p. 1235.

[6] Julius K. Nyerere.

ance—primarily fertilizer—and technical aid in the form of advisers who are stationed in Zambia to provide help on planning, research, marketing, that kind of thing. This year the figure will be about $30 million, and the mix will be about half P.L. 480, about half commodity import, something like that.

The figures over the last 6 or 7 years come to an aggregate of about $200 million since the middle seventies.

In addition, we are providing another $13 million for a road-building and a road-repairing project between Kafue and Chirundu. Let me translate that for you. It's actually the main road between Lusaka and Harare. It's a regional project funded under SADEC [*SADCC?*] auspices, and it's not part of our bilateral program with Zambia, but it does impact directly on the economy there.

Q. No military aid?

FIRST OFFICIAL. No military aid.

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Document 571

Statements by President Reagan and Zambian President Kaunda, March 30, 1983 [7]

U.S.-Zambian Relations Characterized by Cordiality and Mutual Respect

THE PRESIDENT. Well, it's been our pleasure to welcome to the White House President Kenneth Kaunda of the Republic of Zambia. President Kaunda is no stranger to this House, nor to the people of the United States. As one of Africa's senior and most respected statesmen, he plays an admirable role in international events.

Our talks today covered a broad range of shared concerns and were conducted with the same cordiality and mutual respect which characterizes the relations between our two countries.

I welcomed this opportunity to discuss personally with President Kaunda the vital issue of Namibia. As the leader of one of the frontline states, his counsel and his experience are highly valued during these crucial negotiations. We share a common commitment for the prompt implementation of United Nations Security Council Resolution 435, and look forward to the day when we can celebrate a free and independent Namibia.

Mr. President, we also recognize and applaud your tireless efforts for peace and regional stability in Africa. Your special attention to African unity and to the organization that gives concrete expression to that concept is greatly admired here. The Organization of African Unity is indispensable to the pursuit of stability and development throughout Africa.

I know that your own country, Zambia, is suffering severe economic hardship as a result of the depressed prices of your primary export commodities. The United States itself is now emerging from a long period of economic uncertainty. We are convinced that our recovery will lead to a healthier world economy and should strengthen demand for Zambian and other producers' minerals.

In the meantime, we support the emphasis that you are placing on developing the agricultural sector of your economy. We are proud to have cooperated with you in that development. Our strong bilateral relationship will be maintained and will evolve as we continue to work together.

I understand that you will be conferring with a wide variety of people during your stay here in Washington. I am certain they will benefit, as I have, from your views on our bilateral relationship as well as on regional and global issues.

It's a pleasure, Dr. Kaunda, to have you as our guest in the United States of America. It's been a great pleasure.

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[7] Source: White House Press Release, March 30, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, April 4, 1983, pp. 481–482. The remarks were made on the South Lawn of the White House at 1:22 p.m. prior to President Kaunda's departure.

PRESIDENT KAUNDA. I am delighted to have this opportunity to express, on behalf of my delegation and on my own behalf, our profound gratitude to President Reagan for inviting me to visit the United States at this time. It is a pleasure to be here once again.

We appreciate immensely the warm hospitality which the President and his people have accorded us since our arrival in this beautiful city yesterday. The friendly reception which has been given to us is a reflection of the good relations which happily exist between our two countries and peoples.

I want to particularly thank the President for the discussions which have just ended. These have gone on very well. We have covered a wide range of issues, including Zambia-U.S. relations, Southern Africa, the Middle East, and world peace and security. We are both happy at the state of our bilateral relations which are warm. Both President Reagan and I recognize the need to continue to consolidate and strengthen the ties that exist between our two countries, for we believe that it is in the interests of our countries to develop further these relations.

As might have been expected, our discussions on problems of South Africa and Namibia were extensive. We share an abhorrence of the apartheid system, which is being practiced in South Africa. We are both of the view that an early end to this system will be good for peace, stability and rich harmony in the southern African region.

On Namibia, I have explained to President Reagan how we in Zambia see the solution to the problem in that country. I have also listened very carefully to President Reagan's views on the problem. We both believe that this is a serious problem to which an early solution is imperative.

We agree that the basis of the solution to this problem should be Resolution 435 of the United Nations Security Council. In this connection we have agreed that our two countries should continue to consult each other on these problems.

We also had occasion to exchange views on the problem in the Middle East and the Arab Gulf States. We are concerned about the absence of peace and stability in the area.

We hope that solutions can be found that can lead to durable peace and security in that important area of the world.

Let me once again thank you, Mr. President, for the generous hospitality which you have extended to us. I hope that the discussions we have had will form a strong foundation on which to build our future relations.

Thank you, Mr. President.

Document 572

Transcript of a White House Press Briefing, March 30, 1983 (Extracts) [8]

Presidents Reagan and Kaunda's Exchange of Views on Southern Africa

[SENIOR ADMINISTRATION OFFICIAL.] This meeting was really the high point, so far, in what I would call a continuum of consultation, and this series of consultations will continue. Both men agreed to keep in constant touch as we work our way toward a solution of the really pressing issues in southern Africa.

I think that the Zambian side as well as the American side were very well satisfied with the exchange.

Q. Why?

SENIOR ADMINISTRATION OFFICIAL. They were satisfied because there was a very strong effort on both sides to listen, to understand, and to try and devise common approaches to the problems that face them.

Q. And did they?

SENIOR ADMINISTRATION OFFICIAL. Yes.

Q. On Namibia? Did they agree to separate the Angolan-Cuban issue from the Namibian independence issue?

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[8] Source: Office of the Press Secretary to the President. The briefing was conducted on background by two senior administration officials in the Briefing Room of the White House, beginning at 1:43 p.m.

SENIOR ADMINISTRATION OFFICIAL. I'm not going to go into the specifics of what was actually said. All I can say is that both sides understand each other's positions very, very clearly, and share very much the same objectives.

Q. How about the meetings?

Q. Well, but that's exactly where they were before they started.

SENIOR ADMINISTRATION OFFICIAL. That's where they are now.

Q. So they have made no progress?

SENIOR ADMINISTRATION OFFICIAL. These negotiations—these talks were not negotiations. These were consultations.

Q. But there was advance indication that Dr. Kaunda would be asking the United States to put more pressure on South Africa, for instance. Did he?

SENIOR ADMINISTRATION OFFICIAL. I think it's fair to say that Dr. Kaunda, President Kaunda, spoke from the heart about the importance of getting an early settlement of the Namibia problem, an early return to greater stability in southern Africa as a whole, to get some momentum behind the hope that we all have for peaceful change in that part of the world. And it was a very heartfelt statement.

We also, on our side, the President, the Secretary spoke from the heart. We have committed ourselves to seeing this process through. We remain convinced that it can be done. We exchanged notes on how we see the current state of play and how the process could be advanced more rapidly. Neither of us has any interest in delay.

. . . . . .

Q. It's fair to assume, isn't it, that President Kaunda doesn't think you're doing enough? I mean, this speaking from the heart was—he really was saying that the United States should put more pressure on, wasn't he?

SENIOR ADMINISTRATION OFFICIAL. If I can take an overview of this broad question—because it's very difficult to disentangle South Africa, southern Africa, the whole region, and Namibia and Angola are all part of that. It is the view of the Zambian leadership, as has been repeatedly stated, that the West has a vital role to play in advancing the peace process, in turning the corner away from heightened violence and in leading to a more just and stable region.

I'm not putting words in anyone's mouth when I say that. This is the standard, longstanding Zambian position—that the West has an historic responsibility that it must play. It is our view that we are playing precisely that role, a serious engaged balanced diplomacy in the region.

That is what President Reagan is committed to, and that's what we've already begun.

. . . . . .

Q. What can Zambia contribute to resolving the Angola question?

SENIOR ADMINISTRATION OFFICIAL. I think it's fair to say that we—both sides exchange—and these exchanges will be continuing this afternoon, by the way—analyses of the state of play in the negotiation. We both put ideas forward. I'm not going to be revealing diplomatic exchanges here as to how that process could be moved more rapidly.

Obviously, President Kaunda, who has been on the scene in—among the frontline states longer than any other leader of the frontline states, with the exception of President Nyerere of Tanzania, is a seasoned statesman who has been through many of these things before.

To the extent that he is assured that we are going to stay the course, it enables him to carry that message, it enables him to carry that message to his colleagues.

It is in part a question of keeping channels open, of keeping communications going at a time when most of the focus is amongst relatively few parties, and others are watching with interest, with concern, and with impatience.

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Document 573

Testimony by the Under Secretary of State for Security Assistance, Science and Technology (Schneider) Before a Subcommittee of the House Appropriations Committee, April 19, 1983 (Extract) [9]

Reagan Administration Justification of Aid Request for Zaire

. . . . . .

Q. Mr. Secretary, the administration is requesting a supplemental for Zaire of $7 million in ESF and $8 million in FMS. In my opinion Zaire is easily one of the most corrupt and despotic countries in Africa; the FMS program has been one of the worst in the world; the government is constantly reneging on its debt payments; and yet the administration is making this request.

How in the world can such a request be justified?

A. The administration is requesting supplemental funding for Zaire because it is in the U.S. national interest to demonstrate concretely U.S. support for Zaire's moderate and responsible policies in important areas. Zaire has been a consistent and good friend of the United States. It has demonstrated this in the Security Council, of which it is currently a member, through its support on such diverse issues as Afghanistan, Puerto Rico and Nicaragua. Zaire has been particularly supportive on issues concerning Israel with which it recently renewed diplomatic relations [10] and has begun a security assistance relationship. Zaire is also an important contributor to regional security, as it demonstrated by participating in the OAU Peacekeeping Force in Chad which helped to restore stability to that country after the departure of the Libyan occupiers. Additionally, Zaire is a major producer of strategic minerals important to the U.S. and the West.

Our reliability as a partner is judged by how we treat our friends, and we cannot escape the fact that throughout Africa Zaire is seen as a good friend of the United States. This does not, of course, mean that we ignore Zaire's problems. We have consistently raised our human rights concerns in Zaire with the government there through diplomatic channels. President Mobutu's May 19 announcement of amnesty for all political prisoners and dissidents in exile indicates that this type of approach can help to persuade the Zairian Government to take positive human rights steps.

The assertion that the FMS program is one of the worst in the world is unfounded. Foreign security assistance, of which our FMS program is part, has been an important factor in discouraging a repetition of the 1977 and 1978 invasions of Zaire's Shaban mining centers by Zairian rebels in exile and their East-bloc supporters. However, recent U.S. assistance has been so reduced in a highly inflationary period that the Zairian armed forces transport capability—for which the U.S. has assumed an important role—has deteriorated. What is needed to maintain this vital capability is more FMS, not less.

The Zairian Government has not reneged on its debt obligations. Zaire acknowledges and seeks to pay its $5 billion plus debt. However, in 1983 Zaire's debt service obligation plus arrears will exceed Zaire's total hard currency earnings, a problem caused largely by a fall in copper prices, Zaire's main export. Despite its critical shortage of foreign exchange, Zaire has been making a determined effort to meet as many of its debts as possible, including making its Brooke amendment-sensitive debt service payments. [11] As part

[9] Source: *Foreign Assistance and Related Programs Appropriations for 1984. Hearings Before a Subcommittee of the Committee on Appropriations, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), Part 5, pp. 153–154. Schneider responded to questions submitted for the record by Chairman Clarence D. Long during testimony before the Subcommittee on Foreign Operations on April 19. For Schneider's testimony, see *ibid.*, pp. 67–157.

[10] Zaire reestablished diplomatic relations with Israel on May 14, 1982.

[11] Reference is to Section 506 of P.L. 94–330, the Foreign Assistance and Related Programs Appropriations Act, 1976, of June 30, 1976. Known as the Brooke amendment, it prohibited appropriations under the Act from being used to assist any country which was in default "in excess of one calendar year in payment to the United States of principal or interest on any loan made to such country by the United States

Continued

of an effort to rebuild Zaire's economy and to permit it to meet its loan obligations, the U.S., the IMF, World Bank and other donor countries have been working with the Zairian Government on implementing economic and administrative reforms that can lead to economic recovery.

. . . . . .

Document 574

Transcript of a Department of State Press Briefing, August 3, 1983 (Extracts) [12]

Visit of Zairian President Mobutu

FIRST SENIOR OFFICIAL. President Reagan has invited President Mobutu on an official working visit to Washington to discuss both bilateral relations and regional developments in Africa of mutual interest to both countries.

As you know, the United States has long enjoyed close and mutually beneficial relationships with Zaire. All U.S. administrations since that of President Eisenhower have shared an interest in Zaire's independence, territorial integrity, security, and economic development.

The Reagan administration is committed to a strengthening of U.S.-Zairian relations in all possible ways. Zaire, by virtue of its size, its location, its population, and its resources, plays under President Mobutu's leadership an important role in African affairs.

The United States shares many mutual interests with Zaire in Africa. We have, for example, welcomed Zaire's courageous role in dispatching troops to Chad in support of the Habre government which has been recognized as legitimate by the OAU governments, and which is now under attack by Libyan-supported rebels.

Zaire, like many developing countries, has suffered the economic consequences in recent years of higher prices for its import requirements and lower prices for its exports. It also suffers from the standard problems of underdevelopment and inadequate human, financial, and infrastructure resources.

However, we welcome the steps which the Government of Zaire under President Mobutu's leadership has taken over the past year to deal with its economic problems. Budgetary controls, efforts at improved public administration, liberalization of the economy, and an intensive dialog with the IMF on a stabilization program are all encouraging developments.

We hope the Government of Zaire and the International Monetary Fund will reach early agreement which will lay the basis for consideration of debt rescheduling by official and private creditors, and open the way for renewed economic growth.

Zaire is a complex country with some 250 different ethnic and linguistic groups. President Mobutu has played a central role since Zaire's independence in forging national unity and overcoming centrifugal forces based on tribalism.

President Mobutu has recently declared a political amnesty for opponents both within and outside Zaire. This step toward political reconciliation is one which Zaire's friends, including the United States, have welcomed.

During his visit, President Mobutu will meet with the President; the Vice President with whom he just had lunch; the Secretaries of State, Defense and Treasury; the Administrator of AID; and Members of both Houses of Congress.

He will depart Washington the morning of August 6 to spend a few days in New York meeting American business leaders before returning to Zaire next week.

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Q. Will the help that Zaire is giving Chad reflect favorably upon our consideration of its debt rescheduling?

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pursuant to a program for which funds are appropriated under this Act." For full text, see 90 Stat. 780. Similar language was enacted under subsequent foreign assistance appropriations acts.

[12] Source: Office of Press Relations, Department of State. The briefing was conducted on background by two senior administration officials. President Mobutu visited Washington, August 2–6, 1983.

FIRST OFFICIAL. I don't think that there is a direct linkage, nor have the Zairians asked us to make one. Our consideration on debt rescheduling relates to our appreciation and our understanding of the kinds of economic reform measures that President Mobutu has taken in the past year.

In his dialog with the IMF, he has agreed to certain budgetary limitations which he has followed now. We are in the seventh month of an austerity program. He has stayed well within the budgetary limits suggested by the IMF and agreed to by the Government of Zaire. They have had discussions on exchange rate reforms and so on. These are the criteria by which we will measure whether we should enter into a debt rescheduling program.

It is our assumption that if they reach an agreement—and there are signs that an early agreement may be reached with the IMF—then the creditor countries on the basis of economic performance criteria would be prepared to consider a debt rescheduling.

Q. What kind of money are we talking about?

FIRST OFFICIAL. The external debt is approximately $5 billion. How much would be up for rescheduling is a subject which still has to be addressed in the context of their projections of balance-of-payments problems. It's much, much less than $5 billion in terms of rescheduling.

Q. How much is the United States owed?

FIRST OFFICIAL. Debt to the United States—about $800 million, I think. I'm just giving you that off the top of my head. Someone can check that figure if you need it precisely.

Q. Does the $5 billion figure include short-term debts owed to private creditors?

FIRST OFFICIAL. It includes both private creditors and public debt. Essential creditors. But the bulk of it is to other governments and international institutions.

. . . . . .

Q. How about additional military aid to Zaire? What are they asking for and what are we prepared to give?

FIRST OFFICIAL. They have no specific request. The administration has for the last couple of years asked the Congress to approve additional security assistance, funds for Zaire, not related in any way to the Chad situation. But just looking at their own security problems and the very extensive borders that they have, it has been the judgment of this administration that we should provide more support than we now do.

Unfortunately, we haven't gotten congressional approval for higher levels of security assistance.

Q. What are the levels?

FIRST OFFICIAL. Levels have been running in recent years about $10 million in FMS credits, about $10 million in development assistance, and about $10 million in P.L. 480 assistance. In addition to that we have a Peace Corps program there with about 240 volunteers, and some small Title II, P.L. 480, program.

. . . . . .

Q. To what extent are allegations of corruption or actual corruption in Zaire a complicating factor to all of these economic questions you've discussed?

A. Let me just say a word about this. President Mobutu last December, when he launched his economic reform program, also called attention to problems of corruption in the Government of Zaire. Following that, a number of government officials were placed under arrest—I think about 115. Some were brought to trial and have been convicted. A number of Cabinet ministers and governors were relieved of their office.

The total impact of that, I think, has been to substantially reduce the amount of corruption that is occurring, and a kind of serious effort is underway to improve financial management in the government and the public administration.

The perception in the United States and the charges that have been made by people such as Nguza,[13] in Brussels, op-

[13] For text of a statement by former Prime Minister of Zaire Nguza before the Subcommittee on Africa of the House Foreign Affairs Committee on the situation in Zaire on September

Continued

ponents of the Mobutu regime, have clearly had an impact in the Congress. There has been a great deal of criticism in the consideration of foreign assistance bills for Zaire—foreign assistance proposals for Zaire. One of the elements that is consistently raised in congressional hearings is the issue of corruption.

. . . . . .

Document 575

Statement by President Reagan, August 4, 1983 [14]

"A Warm and Useful Discussion" With President Mobutu

President Mobutu and I have just had a warm and useful discussion. And I am pleased to have been able to meet again with President Mobutu who has been a faithful friend to the United States for some 20 years. The President and I took this opportunity to review the state of U.S.-Zairian relations and we found a large area of agreement on the major points we discussed.

I expressed our admiration for President Mobutu's courageous action in sending troops to assist the Government of Chad in its struggle against Libyan-backed rebels. On the home front, the President has informed me of progress on his government's economic stabilization plan. Zaire is taking the difficult but necessary steps to ensure sustained economic progress. And it's important that we and Zaire's other friends do what we can to help.

President Mobutu and I also discussed his country's political situation. And I told him of the positive reaction in the United States to his recent decision to offer amnesty to his political opponents. This visit has permitted the President and me to reaffirm our common desire for peace and stability in Africa. And I am confident that the close relations between our two countries based on shared interests and perceptions will advance the cause of peace and development in Africa. And we're very pleased to have him visit us once again as he did a year and a half ago. [15]

Document 576

Statements by President Reagan and Zimbabwean Prime Minister Mugabe, September 13, 1983 [16]

The State of U.S.-Zimbabwean Relations

THE PRESIDENT. I know that the press is very grateful that they are not out in the rain.

It has been a great pleasure to have had the opportunity today to meet with Prime Minister Robert Mugabe of the Republic of Zimbabwe. As the first Prime Minister of Africa's newest independent state, his wise leadership has been a crucial factor in healing the wounds of civil war and developing a new nation with new opportunities. Our discussions today have covered a wide range of topics, including our bilateral relationship and on regional issues we have spoken very frankly and in an atmosphere of mutual respect. We didn't always agree, but have all gained much from hearing your views, Mr. Prime Minister.

15, 1981, see *American Foreign Policy: Current Documents, 1981*, pp. 1141–1145.

[14] Source: White House Press Release, August 4, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, August 8, 1983, p. 1089. President Reagan spoke to reporters on the South Grounds of the White House at 12:02 p.m. prior to President Mobutu's departure. For President Mobutu's statement on this occasion, see *ibid.*, pp. 1089–1090.

[15] Reference is to President Reagan's meeting with President Mobutu on December 1, 1981. See *American Foreign Policy: Current Documents, 1981*, p. 1147.

[16] Source: White House Press Release, September 13, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, September 19, 1983, pp. 1241–1243. The statements were made to reporters in the East Room of the White House beginning at 1:23 p.m. prior to Prime Minister Mugabe's departure. The Prime Minister visited Washington, September 12–14, 1983.

I believe that our two countries will continue to cooperate on those areas where common concerns are shared and that we will come closer to an understanding on those issues where our views diverge. The United States and Zimbabwe have much in common: We both came to independence through a revolutionary process; we are both multiracial societies; and our constitutions offer protection to all our citizens, black and white, ensuring their political freedoms as well as their individual rights.

I am glad to say that since Zimbabwe's independence, relations between Zimbabwe and the United States have been very good and strengthened by this exchange of views will become even better.

We look to Zimbabwe for leadership in southern Africa. Blessed with natural resources, a hard-working, multiracial population, and a spirit of national reconciliation, Zimbabwe can provide a firm foundation of economic viability and political stability and serve as an inspiration in its part of the world.

Mr. Prime Minister, our talks today have confirmed that we also share a desire for peace and stability in southern Africa and I know that we both look forward to a time when all countries there can achieve a level of amity which will allow them to work toward economic, social, and political development, free from the threat of attack from whatever quarter. The ultimate responsibility for resolution of their problems, however, rests with the states of the regions themselves. And here, Mr. Prime Minister, you've taken a leading and constructive role. I know that you will be meeting with a number of leaders in all walks of American life during your stay here in Washington and elsewhere in our land. I am sure they will benefit as I have from your thoughtful views on our bilateral relationship as well as on regional and global issues.

I am delighted that you accepted our invitation to visit Washington and I look forward to meeting you again.

PRIME MINISTER MUGABE. Thank you.

Mr. President, ladies and gentlemen, may I on behalf of my delegation, on behalf of the Government and people of Zimbabwe, we express to you on this historic occasion of our visit—the first such by the head of Government of the Republic of Zimbabwe—express to you our heartfelt thanks and appreciation for that support which the United States has given us all along the way. And this support starts really from the time we were still struggling for our independence as the United States offered itself as party to the negotiations that were under way to bring about a democratic order in Zimbabwe.

We got pledges from your government, from your predecessors, that upon attainment of our independence the United States will not be found wanting in extending to Zimbabwe that amount of aid the United States was capable of extending to it, to enable the young state to attend to those problems created by the war which the young country felt necessary, would feel necessary to attend to.

And, so here we are, a young state that yesterday was only a toddler, but today is able to do a little more than it was able to do yesterday. And this is because of the amount of assistance—I think the United States contributes the largest amount toward our whole program of reconstruction and development. And that input into our own efforts has enabled us to make the—to create the necessary base for our socioeconomic transformation.

We have enjoyed excellent relations with your country. There has never been an occasion when we have had to complain to the United States on issues of bilateral relations falling in the political or diplomatic sphere. Yes, as you admit there have been areas of difference. We are different on the modality of bringing about Namibia's independence, the linkage with the Cuban question. But, sir, generally we have looked at issues through the same glasses, one might say. And our posture regarding international situations of conflict has been identical. We all are opposed. We both are opposed to interference in the domestic affairs of a country by another.

And I am sure this identity of viewpoint makes for the greater friendship and solidarity that we find between our two countries and our two people. We have enjoyed every minute of our stay in your country. We continue our talks with leaders of your society.

But I am very happy that the discussions we have just had have dwelled on those issues which are of mutual interest to our two sides.

READEX FICHE

As you have said, we have discussed bilateral relations, the question of economic aid to Zimbabwe, the question of our original relations, and the fact that South Africa continues to destabilize our region. We have discussed Namibia, we have discussed the apartheid system in South Africa, and there is a greater measure of agreement. There might be some difference here and there in respect of the method of bringing about change, positive change to the area.

We are very happy indeed that this visit has taken place and may I thank you and Vice President Bush who visited us not long ago for extending this invitation to me and enabling me therefore to come to this wonderful country with a wonderful people and a wonderful tradition and express to them the gratitude of the people of Zimbabwe.

We are a young country. We may make mistakes as we move forward, but we are prepared that where we err we shall correct ourselves and get back to course.

We don't intend to vitiate at all those principles which underline the constitutional order that we have created. We are determined that a nonracial society shall exist in Zimbabwe and that racism, tribalism, regionalism, and whatever other "isms," these are things of the past. What we would uphold as fundamental is that principle which binds us together and makes us one, regardless of our race, color, or creed.

And these are matters on which the United States has long made a decision, matters of principle which make for greater democracy and greater freedom in society. We are prepared that this shall also be our tradition.

May I thank you for the kindness and hospitality which has been showered on me and my delegation since our arrival. We have come as friends. We go back as greater and closer friends still.

Thank you.

Document 577

Transcript of a White House Press Briefing, September 13, 1983 (Extracts) [17]

President Reagan's and Zimbabwean Prime Minister Mugabe's Discussion of Their Differences

. . . . . .

Q. Did the subject of abstention at the United Nations come up and, if so, what is our position to Zimbabwe on that? [18]

SENIOR ADMINISTRATION OFFICIAL. It was raised. It wouldn't be a surprise to tell you that we were very disappointed by that abstention. The Prime Minister was asked the rationale for it. His answer was that Zimbabwe feels that it doesn't just represent itself on the Security Council, but that it represents the other states of its region.

First of all, southern Africa, to a lesser extent Africa as a whole, and in some cases the nonaligned grouping as a whole and that they had, therefore, consulted with the other governments that they feel they are representing by occupying that seat, as the Prime Minister put it, temporarily. And the seven governments they consulted were unanimous in the view that they should abstain and, therefore, they abstained.

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Q. It is Prime Minister Mugabe's belief that if the United States was to deal more firmly with South Africa with threats,

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[17] Source: White House Press Release, September 13, 1983, Office of the Press Secretary to the President. The briefing was conducted on background by two senior administration officials, beginning at 1:45 p.m.

[18] Reference is to the September 12, 1983, abstention by Zimbabwe in the U.N. Security Council on draft resolution S/15966/Rev.1, condemning the Soviet Union for the shooting down of KAL Flight 007. For text, see document 236.

South Africa would not be as intransigent as it is. What is the U.S. position on that?

SENIOR ADMINISTRATION OFFICIAL. The Prime Minister did express that view and has in several meetings. I suppose our feeling is that we're going about it in the right way through diplomatic channels and are trying to achieve the results that we want to achieve.

The Prime Minister, I must say, stressed political and diplomatic pressure. On several occasions he has said—and I think you reiterated this—that he was't calling for economic sanctions or anything of that sort.

. . . . . .

Q. Yes. What is our position on Zimbabwe's progress in regards to human rights, and particularly, in the case of these six airmen? Do we feel they have acted appropriately? Are we troubled by their detention after acquittal?

SENIOR ADMINISTRATION OFFICIAL. Yes, I would say that we were troubled by their redetention after acquittal.[19] It's a rather delicate matter to talk to other governments about matters affecting their internal security. Those, I suppose, are the most sensitive issues that any government faces, particularly a Third World government, and one which, in this case, is now only 3½ years away from a very bitter and bloody civil war which was very destructive. They have continuing security problems.

It would not be right for us to tell them that they don't. How they deal with them is really their responsibility. We have our views, we might do things differently ourselves, but they do face certain dangers regionally and internally. There is conflict within the country. Somebody blew up half their air force. That's of concern to them. I wouldn't feel right about going to them and saying: Well, you should ignore that and just let it pass.

. . . . . .

[19] Six white officers of the Zimbabwean Air Force were rearrested following their acquittal on August 31, 1983, on charges that they allegedly aided South African agents in their destruction of 13 aircraft at Thornhill Air Base on July 25, 1982.

Document 578

Transcript of the Department of State Daily Press Briefing, December 21, 1983 (Extracts)[20]

Reduction of U.S. Aid to Zimbabwe

. . . . . .

Q. . . . I wasn't here yesterday, and I don't know whether you were asked about the report on Zimbabwe.

Were you asked about the report on Zimbabwe and the alleged cut in aid? And is there a final U.S. position on it?

. . . . . .

[A.] The allocation for Zimbabwe in FY-84 will be $40 million in economic support funds.

. . . . . .

Q. And is there a reason for that drop?

A. The reduction in ESF for Zimbabwe and other countries was required because Congress reduced—or appropriated—less than AID had requested for its overall programs. The figures are $2.94 billion requested, versus $2.90 billion appropriated.

In addition, Congress earmarked more for other countries, causing a shortfall of about $200 million, which had to be absorbed by other potential recipients. It was in that context that the aid to Zimbabwe was reduced from the original planning figures.

Q. $200 million represented just an African shortfall, or worldwide shortfall? And what other countries lost in Africa?

[20] Source: Office of Press Relations, Department of State. Alan Romberg, Department of State Acting Spokesman, conducted the briefing which began at 12:23 p.m. Omitted from the extracted portion are brief questions and answers on what had previously been discussed on the subject of U.S. aid to Zimbabwe.

A. No, overall, I said.

Q. Overall. So, of the $200 million, they lost $35 million; is that correct?

A. I don't know how you—when you start shuffling around the numbers, I don't know if you can quite do it that way. But in any case, that's the fact.

Q. And were there any political considerations taken into account into reaching that decision?

A. Decisions on aid levels to any country are not made on the basis of single factors.

Q. I didn't suggest they were.

A. But in balancing priorities, you've got to take into account a variety of things: overall appropriations levels, relative need, status of bilateral relations between the countries. And it is no secret that there have been differences of opinion between the United States and Zimbabwe, particularly in the international arena; and we have had consultations with the Government of Zimbabwe aimed at a better mutual understanding, and we will continue to do so.

. . . . . .

D. Chad and Sudan

Document 579

Statement Issued by the Department of State, February 25, 1983 [1]

Importance of U.S. Ties With Sudan

Q. Do you have any comment on reports that the United States may have increased aid to the Sudan in the wake of the events of last week? [2]

A. The United States continues to maintain a strong interest in close political and military ties with the Sudan. The events of last week serve to underline the importance we attach to those ties. As you know, we are operating under a continuing resolution which affects the level of military assistance to the Sudan as well as many other countries. We submitted a request to Congress for supplemental funds for several country programs, including Sudan's, prior to the recent Sudan–Libya tension. There has been no change, either in the request or in the rate of delivery.

Document 580

Statement Issued by the Department of State, July 19, 1983 [3]

Emergency U.S. Military Assistance for Chad

President Reagan, pursuant to his authority under Section 506(a) of the Foreign Assistance Act of 1961, as amended, [4] has determined that:

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[1] Source: Office of Press Relations, Department of State, posted statement. The statement was posted in response to a question asked at the Department of State Daily Press Briefing on February 24, 1983, beginning at 12:36 p.m.

[2] On February 17, 1983, the United States sent four AWACS aircraft to Egypt to monitor Libyan troop movements near the Libyan-Sudanese border. The AWACS were dispatched following warnings from Egyptian President Mubarak to the United States that Libya was planning to attack Sudan. On February 18, Sudanese President Nimeiri announced that a Libyan plot to invade Sudan and overthrow the government had been discovered. On February 22, U.S. Representative to the United Nations Jeane J. Kirkpatrick cited the Libyan threat to Sudan as the reason why the scheduled joint U.S. exercises with Egypt, involving the AWACS, had been moved forward. For text of Kirkpatrick's statement before the U.N. Security Council, see document 398. For further information on the Libyan threat to Sudan and the U.S. response, see documents 396 and 397.

[3] Source: Office of Press Relations, Department of State; also printed in Department of State *Bulletin* September 1983, pp. 50–51. The statement was made available to news correspondents by Department of State Spokesman John Hughes.

[4] For text of section 506(a) of the Foreign Assistance Act of 1961, as amended, see section 5(b) of the International Security Assistance Act of 1979, P.L. 96–92, October 29, 1979; 93 Stat. 702; and section 110(b) of the International Security and Development Cooperation Act of 1981, P.L. 97–113, December 29, 1981; 95 Stat. 1526.

1. an unforeseen emergency exists which requires immediate military assistance to Chad;

2. the aforementioned emergency requirement cannot be met under the authority of the Arms Export Control Act or any other law except Section 506(a) of the Act.

Therefore, he has authorized furnishing up to $10 million in defense articles and services by the Department of Defense to Chad under the provisions of Chapters Two and Five of Part II of the Act. Congress has been duly notified.

Since President Habre assumed control of Chad in June 1982, [5] Libya has worked unceasingly to provide ousted leader Goukouni and other dissidents with the means to overthrow Habre and assume power. Colonel Qadhafi has publicly announced his determination to topple the pro-Western Habre. Habre's forces, although relatively well organized and led, have lacked the wherewithal to defeat the antigovernment forces active in Chad. Further, the need constantly to defend against insurgent activities has diverted essential energies and resources from the primary task of rebuilding the economic and political infrastructure of Chad.

Intelligence reports have indicated a constant resupply from Libya of arms and ammunition to the Goukouni forces of the north. Libyan aircraft capable of airlifting anti-Habre troops into government-controlled areas and of providing close air support to ground attacks have been positioned in the Aouzou Strip and in southern Libya. Libyan transports have been landing in territory held by the rebels to deliver supplies to them. Libyan military advisors and technicians serve with the rebel units.

Following Qadhafih's failure last month to win the OAU Chairmanship, [6] the Libyan-backed rebels launched a series of attacks on northern and eastern Chadian cities. [7] To meet the immediate threat to the survival of the Government of Chad, France rushed military assistance to Habre, and Zaire initially provided several Macchi aircraft and about 250 men for rear area security. Zaire has now sent several Mirage aircraft and another 700 men, and they have said they may deploy a total of 1,800–2,000.

The President has made available to Chad up to $10 million in defense articles and services, some of which will facilitate the introduction and support of Zaire's forces in defense of its beleaguered fellow African state. The use of this special authority by the President is necessary given the immediacy and character of the threat, and the inability of the Government of Chad to acquire the essential material through its own means. Failure to have taken the emergency action would have involved the grave risk of allowing Libya to reestablish a pliable regime in N'Djamena and to use Chad as a base for subverting neighboring states.

Document 581

Transcript of an Interview With the Secretary of State (Shultz), August 7, 1983 (Extract) [8]

France's Responsibilities in Chad

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MR. MONROE. Mr. Secretary, we have sent antiaircraft missiles, three advisers, two AWACS radar planes to help the African nation of Chad. [9] We also have a

[5] Hissene Habre won control of Chad on June 7, 1982.

[6] Reference is to the Organization of African Unity summit meeting held in Addis Ababa, June 8–12, 1983. The OAU voted to appoint Ethiopian President Mengistu Haile-Mariam as Chairman of the OAU, instead of Qadhafi. The OAU had failed to hold a summit in 1982, due to controversies over Qadhafi's succession to the chairmanship, and over the seating of a delegation representing the Saharawi Arab Democratic Republic (the Polisario Front).

[7] On June 23, 1983, Libyan-sponsored Chadian rebels invaded northern Chad from Libya.

[8] Source: Department of State Press Release 305, August 8, 1983; also printed in Department of State *Bulletin*, September 1983, p. 47. For full text, see *ibid.*, pp. 47–50. Secretary Shultz was interviewed by Bill Monroe of NBC News on the NBC News program, "Meet the Press."

[9] Two AWACS aircraft, with F–15 fighter escorts, were sent to Sudan on August 7, 1983. Two AWACS were also sent to Egypt on August 3, 1983.

Naval force off the Libyan coast. Could you give us your description of what is happening in Chad, and what the U.S. role is?

SECRETARY SHULTZ. There is an insurgency in Chad, and it is being helped by the Libyans who have, among other things, conducted bombing raids on Faya Largeau, a city about which there is a fight going on. So there are a number of things taking place, including concern by ourselves and the French.

MR. MONROE. Have Libyan troops gone into Chad?

SECRETARY SHULTZ. That's a question. Certainly, their planes have overflown Chad, and we have reports of some Libyans there, yes.

MR. MONROE. The United States has appeared to be encouraging the French Government to send direct air support, planes, and French pilots to help the Chad Government. The French say this morning they are not going to do that.[10] Is the United States disappointed in that French attitude?

SECRETARY SHULTZ. The French have to decide what they are going to do. It is an area of prime concern to them, being a former French colony; and of course, all of the Francophone countries of Africa are watching the situation. We are in close consultation with the French, and I'm sure that they will exercise their responsibilities properly.

. . . . . .

[10] See footnote 16 to document 583.

Document 582

Letter From President Reagan to the Speaker of the House of Representatives (O'Neill), August 8, 1983[11]

Deployment of U.S. Aircraft To Assist Chad

DEAR MR. SPEAKER: In recent weeks, the Government of Chad has requested the Governments of France and the United States to assist in its self defense against armed aggression by Libyan forces and Libyan-supported insurgents in Chad. As you have been informed, in response to these requests I have directed that various forms of material assistance be provided to the Government of Chad[12] and other friendly governments assisting it in dealing with this Libyan aggression. In further response to the urgent requirements of these governments to counter this aggression, I have now directed the deployment of certain U.S. aircraft to the region to be available for the purpose of collecting and providing essential information, including surveillance data and early warning. In accordance with my desire that the Congress be kept informed on this matter, and consistent with Section 4 of the War Powers Resolution,[13] I am hereby providing a report on the deployment and mission of these U.S. Armed Forces.

On August 7, 1983, two Airborne Warning and Control Systems (AWACS) E3A and eight F-15 (Eagle) all-weather fighter aircraft with air and ground logistical support forces began to arrive in Sudan. These forces will be available to operate in close coordination with the Government of Chad and other friendly governments assisting it. The mission of the F-15 aircraft, which are equipped for combat, is to be prepared to provide pro-

[11] Source: White House Press Release, August 8, 1983, Office of the Press Secretary to the President, also printed in *Weekly Compilation of Presidential Documents*, August 15, 1983, p. 1106. President Reagan sent an identical letter to Strom Thurmond, President protempore of the Senate

[12] Reference is to an additional $15 million drawdown in aid to Chad made available on August 4, 1983.

[13] Reference is to P.L. 93-148, November 7, 1983; 87 Stat. 555.

tection to the other United States aircraft, if necessary.

It is not possible at this time to predict the precise duration of this deployment of U.S. Armed Forces in the region. They will remain for only a limited period to meet the urgent requirements posed by the present situation. I will keep the Congress informed as to further developments with respect to this situation.

This deployment of the U.S. Armed Forces is being undertaken pursuant to my constitutional authority with respect to the conduct of foreign relations and as Commander-in-Chief of the United States Armed Forces. I believe that this action will support the objective of helping to preserve the territorial integrity, sovereignty, and political independence of Chad.

Sincerely,

RONALD REAGAN

Document 583

Statement Read by the President's Deputy Press Secretary (Speakes), August 9, 1983 [14]

U.S., African, and French Support for Chad

Libya's forces are centrally involved in the fighting in Chad. In fact, if it were not for Libya's forces—both through advisers and combat elements and air power—there wouldn't be the kind of fighting that we are seeing in Chad.

The precise numbers in a situation like this are hard to come by but our estimate is that there are 1,500–2,000 Libyan troops in Chad, and that this represents a significant increase over the number present in the weeks before the rebel attack on Faya Largeau. There is no question that the Libyan troops are there, including mechanized units. Nor is there any question of repeated Libyan air attacks against various northern centers including Faya Largeau. We have reports that the Libyan troops and Libyan-supported rebels besieging Faya Largeau have a substantial number of Libyan armored vehicles and heavy artillery for bombardment, and that their air attacks have included both bombs and napalm. We consider the situation at Faya Largeau serious and threatening. The Libyan Government seems to be seeking to portray what's happening in Chad as a civil conflict, and to portray the Government of Chad as not having legitimacy. The fact of the matter is that the Organization of African Unity has recognized the legitimacy of the Habre government. The most recent OAU statement was one issued in mid-July by the OAU Summit bureau calling for an end to foreign interference and appealing for a cease-fire. [15] There is no question in the eyes of the OAU and the majority of African states that Habre's is the legitimate government. Libya would like to have it otherwise. Libya would like to overturn that government and substitute its surrogate as the Government of Chad. Were this to happen, if Qadhafi were able to set up an established government simply by using its overwhelming military might to do so, that this would have consequences beyond the borders of Chad.

Our view is that we have provided limited materiel support for the Government of Chad. We have done so in the context of other African support for that government, and in a far larger French effort. In all of our contacts, we have no information to suggest that in fact France has changed its position on support of Chad. A French statement over the weekend was subsequently clarified in Paris, [16] and we understand the French position to be that they will make appropriate decisions in light of the situation in Chad. We are operating in the context of African and

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[14] Source: White House Press Release, August 9, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, August 15, 1983, p. 1107. The statement was read during the White House Press Briefing, which began at 12:24 p.m.

[15] Reference is to the OAU summit meeting in Addis Ababa, July 15–16, 1983. At the conclusion, a communiqué appealing for an end to hostilities in Chad was issued.

[16] Reference is to French Foreign Minister Claude Cheysson's statement on August 8, 1983, that the United States had not consulted with France before sending AWACS aircraft and military equipment to help the Chadian Government. French Foreign Ministry officials subsequently indicated that although the United States and France would consult on the situation in Chad, each Government would decide for itself what aid would be given to Chad.

French support for the Government of Chad.

Document 584

Remarks by President Reagan, August 11, 1983 (Extracts) [17]

"I Don't See Any Situation That Would Call for Military Intervention by the United States [in Chad]"

. . . . . .

Q. Mr. President, how far are you willing to go militarily to save Chad from falling into the hands of the rebels backed by Libya?

THE PRESIDENT. Well, Helen [Helen Thomas, United Press International], [18] Chad, actually, you might say, is in a sphere of interest of the French. France, because of its historic relationship with that area, has made it plain that they consider this their principal place. We're in consultation with them and we have, in answer to request, provided weapons and some trainers in the use of those weapons.

We are, at the same time now, because of the concern of all the northern African States there, or the central African States about the Libyan intervention—Qadhafi and his adventuring down there have them all concerned, and for that reason, many of the African States are providing troops. We have volunteered to some of them to aid in the transportation of those troops, but we're not in any way in line for participating militarily other than that.

. . . . . .

Q. Mr. President, would the United States allow Chad to fall to Qadhafi and the Libyans rather than intervene?

THE PRESIDENT. As I've said before, it's not our primary sphere of influence; it is that of France. We remain in constant consultation with them, but I don't see any situation that would call for military intervention by the United States there.

. . . . . .

Document 585

Statement by the Deputy Representative at the United Nations (Lichenstein) in the U.N. Security Council, August 11, 1983 (Extracts) [19]

Denunciation of Libya's "Unprovoked Aggression" Against Chad

Mr. President, the Security Council today is confronted with a most grave threat to international peace and security and a brazen, contemptuous challenge to the bedrock principles of the U.N. Charter. This threat, this challenge, comes primarily from one source—and let there be no doubt on this score. Libya is engaged in open, flagrant, unprovoked aggression against the legitimate government of the sovereign nation of Chad. Libyan ground and air forces have invaded Chad. These forces, with Libyan tanks, Libyan aircraft, and Libyan artillery, attacked and overwhelmed the key military outpost of Faya Largeau. That town has been subjected to vicious bombardment by Libyan war planes manned by Libyan pilots—indiscriminate bombardment with napalm and high explosives on both civilian and military targets.

This is Libya's war. It is Libya that is guilty of aggression. It is Libya that stands in contemptuous disregard of its obligations under the Charter. And one more

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[17] Source: *Weekly Compilation of Presidential Documents*, August 15, 1983, pp. 1111–1112. For full text, see *ibid.*, pp. 1111–1113. President Reagan spoke at 2:30 p.m. to reporters in the Briefing Room at the White House.

[18] Brackets appear in the source text.

[19] Source: U.S. Mission to the United Nations Press Release USUN 63-(83), August 11, 1983.

basic fact that must be confronted, Mr. President: In this assault on the very concept of nonuse of force in the reconciliation of differences among states, the outlaw regime of Muammar Qadhafi is supported, supplied, and encouraged by a Permanent Member of this Council, by the Soviet Union.

And now, Mr. President, the Soviet Union joins Libya in an attempt to obfuscate the clear issue we must confront—the *fact* of Libyan aggression against Chad—with a smokescreen of patently diversionary countercharges. They allege U.S. intervention, U.S. interference in the affairs of African nations. And so it is necessary, as a first order of business, to sort out these various issues even as we keep our principal focus on the overriding issue of Libyan expansionism.

One of the peripheral issues, injected into the debate as a deliberate diversion, is that of joint training exercises in the Middle East in which U.S. forces will be engaged along with those of several other nations (even I might note as the Soviets and Libyans engage in such exercises—as recently, indeed, as June 30–July 4 of this year). These exercises have absolutely nothing to do with the events we confront in Chad, as the Libyans and Soviets know perfectly well, and as the U.S. Government made perfectly clear in its letter of July 22, 1983, addressed to the President of the Security Council and reiterated in its letter dated yesterday and circulated as a document of the Security Council (S/15919). [20] I quote from that letter:

"The purposes and scope of these joint exercises are clearly set forth in my letter to you, contained in Document S/15887 of 22 July 1983, [21] and in advance announcements by several of the Governments whose forces are participating in the exercises. These training exercises threaten no one, are wholly defensive in nature, do not involve contested land or sea space, and are entirely consistent with international law and the United Nations Charter.

"The United States unequivocally states that the exercises pose no threat to the security of any country in the African/Middle Eastern region, and that the exercises are not a response to any other situation or activity which may be taking place in any neighboring country or countries.

"These exercises were scheduled and planned before Libya launched its invasion of Chad with ground and air forces. No amount of obfuscation on the part of Libya can disguise the fact that Libyan conspiracies, threats, and aggressions against its neighbors—now graphically demonstrated by Libyan armored battalions and warplanes operating deep within the territory of Chad—have upset the peace and security of the region."

A second issue intended simply and solely to divert attention from Libyan aggression is that of alleged U.S. intervention in northern Africa, as charged in a tandem of complaints by Libya and the Soviet Union earlier this week. The U.S. Government also has replied to these utter fabrications in a letter to the President of the Security Council dated yesterday, August 10, 1983, and circulated as a Security Council document (S/15920) [22] from which I wish to quote:

"The statements contained in these two documents are clearly designed to divert attention from the fact that the Libyan Arab Jamahiriya itself bears the primary responsibility for tension and conflict in Chad and the surrounding area. It has been conclusively demonstrated that the Libyan Arab Jamahiriya is engaged in the unlawful use of armed force against the territorial integrity and political independence of Chad. Over an extended period, aircraft of the Libyan Arab Jamahiriya have conducted an intensive campaign of bombing cities in Chad using incendiary as well as conventional bombs. Units of the Army of

[20] Reference is to U.N. document S/15919, dated August 10, 1983. Ambassador Kirkpatrick wrote a letter to U.N. Security Council President Barre de Nanteuil indicating that military exercises involving the United States and other countries in the eastern Mediterranean were planned and scheduled before the Libyan invasion of Chad.

[21] Reference is to U.N. document S/15887, dated July 27, 1983. Ambassador Kirkpatrick's letter of July 22, 1983, to U.N. Security Council President Ling Qing indicated that military exercises in the eastern Mediterranean were held at the invitation of the host governments and had been publicly announced.

[22] For full text of the U.S. reply, see U.N. document S/15920, dated August 10, 1983.

the Libyan Arab Jamahiriya have penetrated deeply into Chad and are now engaged in offensive military action against armed forces of Chad.

"These Libyan forces have been equipped by the Soviet Union with highly sophisticated military equipment, including aircraft, helicopters, tanks, armored personnel carriers, missiles and artillery which is being used against military targets and civilian populations in Chad.

"The United States and other concerned countries have responded to this unlawful use of force. At the request of the Government of Chad, a country with a very limited, purely defensive military capacity, the United States has provided logistical support and assistance in monitoring the situation to aid in its struggle to defend itself against the unprovoked acts of the Libyan Arab Jamahiriya. The Council should be aware that we are dealing with a case of aggression by the Libyan Arab Jamahiriya which constitutes a major threat to the peace and security of the region.

"All of the actions of the United States have been designed to assist the Government of Chad to exercise its inherent right of self-defense. These actions are wholly consistent with international law and the United Nations Charter."

Now, Mr. President, let us return to the realm of harsh reality—to the factual record of Libyan aggression against Chad, which is and must remain our primary focus today, as it also constitutes the sole present threat in that region to peace and security.

On June 24 of this year, Libyan-supported rebel forces led by Goukouni Oueddei captured the key outpost of Faya Largeau from the army of Chad, led by its President, Hissene Habre. The town of Abeche fell to rebel forces on July 8th. But then, to Libya's apparent consternation, the Army of Chad recaptured Faya Largeau on July 30 (as it had retaken Abeche on July 12)—and it was this dramatic turnabout that sparked a sudden escalation of Libyan involvement in Chad, which was extensive before that battle and has been critical to the insurgents all along. Since August of last year, Libya had been building up the insurgent forces of Goukouni, principally at a training base at the town of Sebha in Libya.

Elements of 15 Libyan battalions have been active in northern Chad, going back to last August. These include commando, mechanized infantry, armed reconnaissance, artillery, and tank battalions. The artillery that was used with such devastating effect in June in the battle of Faya Largeau, for example, was manned by Libyans.

The insurgents have been massively armed with new and sophisticated Soviet equipment by Libya. Almost everything the insurgents have, from heavy artillery to shoes to food, has been provided by Libya.

Insurgent administration, logistics, and operational planning have all been under the authority of the Libyan commander at Sebha.

During the last 2 weeks in July, just before the recapture by the armed forces of Chad of Faya Largeau, several Libyan units were dispatched to Ounianga Kabir and Ogoui, both located in northern Chad but well to the south of the contested Aouzou Strip—in the territory of Chad, that is to say, even by Libya's own definition—to permit the insurgents, with Libyan advisers, to concentrate on Faya Largeau. Libyan transport aircraft in this period made daily flights to Faya Largeau with arms and supplies. But at this point in the campaign Libya had not yet committed major ground forces, on a scale comparable to the 7,000 to 9,000 Libyan troops sent to Chad in 1980 (and then withdrawn in 1981). Apparently the Libyans thought Goukouni would win without them.

The immediate Libyan reaction to the retaking of Faya Largeau on July 30 was bombing raids on Faya, using Soviet-supplied SU-22 ground attack aircraft from the Libyan airbase near the town of Aouzou in the Aouzou Strip. On this day there was a squadron of SU-22s at Aouzou airbase, as well as several SF-260 attack aircraft and Soviet-supplied MI-24 attack helicopters. In the initial attacks the SU-22s used napalm, cluster bombs, and high-explosive bombs, and concentrated their attacks on the center of Faya Largeau. There were comparable air attacks virtually every day after July 30 until Faya Largeau fell on August 10th.

On August 1st, SF-260 attack planes and MI-24s were moved to airfields at Ounianga Kabir and Ogoui in northern Chad, much closer to the front. During the night of August 1-2, two Mirage F-1s flew sorties over Faya Largeau, dropping both napalm and high-explosive bombs.

The attacks continued throughout this first week of August, carried out by SU-22s, TU-22s, and (for nighttime raids) Mirage F-1s. During the night of August 2-3, three F-1s were employed; on the night of August 3-4, four F-1s. The first wave of SU-22s at dawn on August 3 dropped no fewer than 48 bombs—and on that same day the government forces brought down their first SU-22, whose Libyan pilot was captured and has since confirmed that the air attacks—using napalm—were carried out by Libyan planes, flown by Libyan pilots, operating under Libyan command.

Meanwhile, at the Sebha and Kufra barracks in southern Libya, artillery and armored convoys were formed and began moving into Chad. An entire Libyan mechanized infantry battalion was sent to Ogoui on July 31, and another had arrived there by August 4, with more than 30 armored personnel carriers and both T-54 and T-55 tanks. As we meet here today, upwards of 2,500 or 3,000 Libyan troops have overwhelmed and now occupy Faya Largeau in this Libyan war against its neighbor Chad.

These are the plain, grim, undeniable facts, Mr. President. They constitute the tangible scenario of open and unprovoked Libyan aggression that mocks the Charter of the United Nations. And the message seems clear to my government: If that aggression is permitted to go unpunished, then this Council is revealed as impotent and Qadhafi's brutal "new colonialism" will threaten even more urgently the security of northern and north-central Africa.

. . . . . .

What then is to be done? The immediate, urgent requirements are simple enough to state:

First, the unprovoked, flagrant aggression of Libya must be labeled for what it is—a direct challenge to the Charter of this institution and a grave threat to international peace and security.

Second, there must be an end—now, today—to this latest in the longstanding pattern of Libyan lawlessness, by whatever appropriate means are available to the Government of Chad and to those nations in Africa and elsewhere which have responded to that government's appeal for help.

With an end to Libyan aggression, the enduring problems of this embattled nation can be addressed in a reasonable way, in a spirit of reconciliation that will promote international peace and security.

With an end to Libyan aggression, all things are possible. As long as this lawless behavior continues, it must be condemned and it must and will be vigorously opposed.

Document 586

Transcript of a Press Conference by the Secretary of Defense (Weinberger), August 18, 1983 (Extracts) [23]

U.S. Consultations With France Regarding AWACS Planes Deployed to Sudan

. . . . . .

Q. Mr. Secretary, the French have been putting out an interesting line about lack of consultation from the United States on the deployment of our AWACS to Sudan. [24] If we didn't consult with them, why did you decide to send those planes over there or have we had some consultation?

A. We decided to send them over there because the French indicated they wanted them. I think possibly Paris has the same problem Washington does; there are many voices that are all labeled the "French." We had talked with various military

[23] Source: Department of Defense files. Secretary Weinberger conducted the press conference, which was held at the Pentagon, beginning at 11 a.m.

[24] See footnote 16 to document 583.

people, Minister of Defense, and various other people in the Ministry of Defense and there was a clear indication that if they should want or commit their air force for counter activities to the Libyans and to protect the Chadians who were being attacked by the Libyan Air Force, that they would need some intelligence, some monitoring and we responded to that and got our AWACS in position to do that very quickly. We did it within 20 hours and they are there and they are ready should they be called on. They have not been called on but there was full consultation with the French Government and the French Government, I think, is satisfied as to that point. But there are some people who are saying there wasn't consultation.

Q. Did they say they were going to send in their air force—is there some confusion?

A. No, I don't think there's any confusion. The possibility of their using their air force to protect the Chadians and Zairians and others who are helping the Chad Army, was expressed, was discussed and we talked with them about it and they did indicate that they would need some additional intelligence capability and were the AWACS available. The AWACS are not only available; they're there ready should they be called on.

. . . . . .

Q. Mr. Secretary, when you say that the French Government was consulted, I got the impression from what you said a little earlier on that the consultations were at the Defense Ministry-U.S. Defense Department military level. Were these consultations at a higher level, say with their Foreign Minister?

A. Here they were, in the United States. My understanding is they were in France, but they certainly were here.

. . . . . .

Document 587

Statement Read by Department of State Acting Spokesman (Romberg), August 23, 1983 [25]

U.S. Withdrawal of AWACS Aircraft From Sudan

We continue to monitor closely the situation in Chad and to cooperate with concerned friends and allies on the dangers posed by the Libyan aggression against that country. Our assessment of the current situation is that, for the immediate future, we need not keep our Air Force assets deployed in Sudan. After consultations with concerned governments, the United States has therefore decided to begin redeploying the aircraft and personnel to the United States. Nonetheless, as was demonstrated by the deployment, appropriate assets can be rapidly moved to the area should the situation warrant.

The AWACS were deployed to Sudan August 7 after consultations with the Governments of Chad, Sudan, and France to perform a monitoring role should that become necessary. We believe the deployment clearly demonstrated U.S. concern over the events in Chad. It also demonstrated once again the close ties between the United States and its friends and the ability of the United States to respond quickly and appropriately when circumstances dictate.

The United States has expressed its appreciation to Sudan for its assistance in this operation in response to overt Libyan military aggression in Chad. In this context we have also reaffirmed our concern for Sudan's security in the face of Libya's military intervention in Chad. We are continuing our $25 million emergency assistance program to Chad.

We are continuing to work with the Government of Chad, and other concerned governments, to effect the withdrawal of Libyan forces from Chad and to protect Chad's territorial integrity. There

[25] Source: Office of Press Relations, Department of State. The statement was read at the Department of State Daily Press Briefing held at 12:25 p.m.

can be no doubt that regular Libyan Army units are occupying territory well within Chad's borders and that Libyan Air Force units have bombed Chad.

We are encouraged by the French deployment of substantial forces to Chad. The United States again condemns Libya's blatant act of aggression and affront to international order, and calls upon Libya to withdraw. The United States maintains its support for Chad's territorial integrity and sovereignty, and does not wish to see a resolution of the conflict resulting in a partition of Chad.

Document 588

Statement by the Deputy Representative at the United Nations (Lichenstein) Before the U.N. Security Council, August 31, 1983 [26]

Failure of the U.N. Security Council To Act on Chad's Complaint Against Libya

Mr. President, and so, exactly 28 days since we heard the massively documented complaint of the sole legitimate Government of Chad against the flagrant aggression of Libya, fully 4 weeks since we listened to the appeal of Chad for urgent help in combatting that aggression, this Council meets one more time—and for what reason? To affirm its fundamental irrelevance to the realities of international gangsterism, to admit its utter futility as an effective instrument of international peace and security.

Indeed, Mr. President, this is not a proud day for the United Nations Security Council. The losers in the proceedings of this past month are many. There is of course the Security Council itself which has been cynically manipulated—and worse, which has permitted itself to be cynically manipulated. There is the United Nations Charter which has been so contemptuously violated. There is that group within the Council which has been throughout an entire month of negotiation the victim of the most radical among its members. And again, what is worse is that this group has been a willing victim, and that the negotiations have been dishonest from the beginning: Every concession by the honorable and the reasonable has been frustrated by yet another nonnegotiable demand by the extremists—encouraged from within the Council's permanent membership, we do not for one moment doubt, by Libya's great benefactor and protector, the Soviet Union.

It is tempting, if only for the sake of symmetry, to balance off losers with winners—and thus to credit Libya with a victory for its naked, unprovoked aggression. But to draw any such conclusion from the charade of the last month in the Security Council—and let there be not a moment's doubt on this score either—to draw any such conclusion would be a very, very great mistake. For there were some, among this Council's own membership, who did not wait for the Council or rely on the Council to respond to the urgent appeal of Chad. There were those who realized that aggression had to be deterred, who accepted their obligation under the Charter indeed to help Chad defend itself, who were prepared to make that commitment. My government was one of those. Zaire was another. France was a third. Our commitment to the freedom and independence of Chad is strong and tangible—and, we would urge the aggressor and those who encourage aggression to pay particular heed: that commitment continues.

There are we believe other winners in this process, however contemptible its outcome to date may be. Chad surely is one. Its posture throughout has been courageous and dignified. Its spokesmen have treated the lies and the invective of Libya with the quiet contempt they deserve. Zaire also has been a winner—in its immediate, powerful response to Chad's appeal for help, and (in concert with the representative of Togo) [27] in its genuine search for consensus within the Council's nonaligned group. The fact that this effort was unavailing, that indeed it never had a chance of success in view of the prevailing cynicism and the deliberate manipulation of the Council's consultative process—well, none of this reflects discredit on either Zaire or Togo.

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[26] Source: U.S. Mission to the United Nations Press Release USUN 66-(83), August 31, 1983.

[27] Atsu-Koffi Amega.

We believe there has been another clear and significant signal given in the course of the Council's consideration of Chad's complaint: and that is the virtually unanimous voice of Chad's African neighbors in condemnation of Libyan aggression and in courageous support of the Government of Chad, the government of President Hissene Habre. It was an impressive display of adherence to the principles that are supposed to impel this Organization to effective action, and of a clear-eyed realism that *not* to oppose aggression is quite simply to incite more, and more flagrant, aggression—graver threats to international peace and security, closer and closer to home.

Mr. President, if ever there was a documented case of unprovoked aggression, that was it. We cannot conceive of a situation in which the aggressor was more unmistakably identified. Equally, we find it impossible to imagine an appeal more meritorious than that addressed to us—on August the third—by Chad.

By the very same token, our response should have been unequivocal and immediate. On August the fourth we should have been prepared to vote on a resolution that condemned Libyan aggression, that demanded the cessation of fighting and the immediate withdrawal of Libyan forces from the territory of Chad—thus clearing the way for Chad to reconcile its own internal differences, to control its own destiny as a free and independent nation, utilizing the good offices of the Organization of African Unity or possibly of the United Nations itself in this effort of self-determination.

Would such a resolution have succeeded? Almost surely not. But such a resolution would keep faith with the mandate of the Charter—and would serve one very important purpose additionally: It would identify for all the world to see those who reject the use of force as an instrument of international relations, and those who not only condone the use of force but even support and encourage it.

As I have said already, Mr. President, the absence of such a resolution makes this far from a proud day for this Council and for this world Organization. But, more than that, it is a day of the gravest danger—and particularly for those small and relatively defenseless nations, like Chad, which are the actual or the intended or the potential victims of aggression.

In a very important sense, the United States does not need the United Nations—certainly not for its protection or its defense. But for many nations around the world, particularly those which constitute the nonaligned group within this Council, an appeal to the United Nations may represent its ultimate and essential recourse. Universal adherence to the principles of the Charter may be its only guarantee against the adventurism of a Qadhafi or against global imperialism—imperfect, yes, but the best this imperfect world has yet been able to devise.

The inherent authority of this approximation of a world community is not, however, self-enforcing. It requires the courage of the Member States' avowed convictions, and the will to resist aggression, and the willingness to stand up and be counted.

We must therefore pose this question: By their inability or unwillingness to act, by their readiness to be victimized and manipulated, by their contribution to the undermining of the effectiveness of this Council and of the United Nations generally, are the members of the Security Council helping to arm their own executioners?

We are appalled by the answer that, so far, this proceeding appears to provide.

Document 589

Statements by President Reagan and Sudanese President Nimeiri, November 21, 1983 [28]

Presidential Discussions With Sudan

THE PRESIDENT. It's been an honor and a pleasure to welcome President Nimeiri

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[28] Source: White House Press Release, November 21, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, November 28, 1983, pp. 1608–1609. President Reagan spoke at 1:21 p.m. to reporters at the South Portico of the White House. Earlier, the two Presidents met in the Oval Office and held a working luncheon, together with U.S. and Sudanese officials, in the State Dining Room. President Nimeiri visited Washington from November 19 to 22, 1983.

to Washington once again. President Nimeiri is a friend. Few can match his courage and foresight as a peacemaker in Africa and in the Middle East.

I place great value on his insights and wise counsel and appreciate this opportunity to speak with him directly. In our discussions, we found ourselves in basic agreement on critical issues in the Middle East and the Horn of Africa.

President Nimeiri and I reviewed efforts to find a solution to the conflict in Chad. We're agreed that the first step necessary to achieve that end is the withdrawal of Libyan forces from Chad. Likewise, we're of one mind on the need to support African countries threatened by Libyan-supported aggression.

We also discussed the urgent need to reach a just and comprehensive peace for the Middle East. A key to this is a settlement that would permit all states in the region to live in peace with secure borders, while at the same time protecting the legitimate rights of the Palestinian people.

I thanked President Nimeiri for his continued support of our current peace initiative.[29] On bilateral issues, I reaffirmed our willingness to help the Sudan meet the economic and military challenges that it faces. We applaud the Sudan's efforts to reinvigorate its private sector and reform governmental policies that hinder economic progress.

Economic development is of utmost importance to the people of the Sudan. And in this endeavor, the United States is happy to lend a hand to a friend.

President's Nimeiri's visit underlines the significant role that Sudan is playing in Africa and the Middle East. The people of America are proud to stand with the people of the Sudan as friends and partners for peace and progress.

PRESIDENT NIMEIRI. I would like to thank President Reagan for his invitation to me to come to visit once again the United States, and I would like to say to him that we are very pleased by our friendship to the people of the United States.

President Reagan and myself have discussed bilateral relations between our two countries, and reviewed ways and means to strengthen them. We are hoping that the important role played by the United States toward refugees will continue and expand at a time where we, in the Sudan, face and cater to ever-increasing numbers from our neighboring countries, especially Ethiopia.

In Africa, we have been—and still are—very concerned about the destabilization policies presented by Libya, and its intervention in the internal affairs of others. Libya is undermining the unity of Chad by invading and occupying its territory, and plotting against the unity and stability of the Sudan. Ethiopia and Libya are both playing a very dangerous role, and executing policies serving the interests of a superior power.

On the Middle East, the Sudan is fully committed to a just solution to the Palestinian problem. In this context, the Sudan stands firm behind the Fez resolution.[30] And it, also, supported the Reagan initiative as a step toward a more comprehensive solution. We deplore and regret the continued bloodshed in Lebanon, and call on all parties to save Lebanon and its independence.

We, also, condemn all policies and practices aimed at liquidating the PLO, and deplore the shedding of Arab blood by Arab hands.

Israel remains the cause of the problem in the Middle East. We call on President Reagan to exert his utmost to stop the Israeli expansion policy, and play the role becoming a great power that has such a great interest in the Arab world.

And we call, also, on the Soviet Union to assist in peace progress in the Middle East.

And thank you.

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[29] For text of President Reagan's September 1, 1982, proposal for peace in the Middle East, see *American Foreign Policy: Current Documents, 1982*, p. 753.

[30] Fifteen Arab League heads of state held a summit conference in Fez, Morocco, September 6–9, 1982. For the portion of their declaration concerning the Arab-Israeli dispute, September 9, 1982, see *ibid.*, p. 758.

Document 590

Transcript of a White House Press Briefing, November 21, 1983 (Extracts) [31]

U.S. Concern With Sudan's Security

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Q. How serious does the administration view the military threat to the Sudan, specifically from Ethiopia and also from Libya?

SENIOR ADMINISTRATION OFFICIAL. I think the seriousness with which we view it is best reflected in the fact that twice during 1983 we have been directly supportive of Sudan when it has faced or been the neighbor of threats to Chad, particularly from the Libyan side.

The situation on the Ethiopian border ebbs and flows. There have been recently some warnings and some threats from the Ethiopian side of which we would, of course, take seriously. I wouldn't exaggerate the extent of any conflict or across-border activity at this point. But we obviously watch it closely, particularly in light of the fact that Ethiopia receives very substantial assistance in some of its own policies from the Libyans, including both advisors who come in from Libya as well as Libyan funding and hardware.

But I wouldn't want to overdramatize the situation that we face—that Sudan faces at present.

Yes?

Q. Is there—do you have any evidence of Ethiopian, Cuban, or Soviet support to the insurrection that seems to be building in the southern Sudan?

SENIOR ADMINISTRATION OFFICIAL. I think there's not too much question that there has been support channeled to Sudanese dissident groups that have gone across the border into Ethiopia. This involves both Ethiopians and Libyans.

Q. What about in Eritrea? Is there any evidence that the Sudan is still giving support to the EPLF government, the ELF against Ethiopia?

SENIOR ADMINISTRATION OFFICIAL. I think I might ask my colleague to address that question. I would just add a general word on it is that, I think, Sudan believes in a good-neighbor policy, has pretty consistently adhered to that point of view, and, of course, in the context of the many internal difficulties in Ethiopia and other countries, it has been a haven of receiving refugees from neighboring countries. There are a substantial number of refugees in Sudan. But I would look at that in a humanitarian context.

SENIOR ADMINISTRATION OFFICIAL. I would add to what my colleague said that one nation's insurgents are another nation's refugees. And Sudan has got one of the larger shares in the world of refugee populations—some 600,000, the majority of which come from across the border in Ethiopia.

. . . . . .

Q. What kind of assurances did President Reagan give President Nimeiri on U.S. support, should Libya or Ethiopia invade Sudan?

SENIOR ADMINISTRATION OFFICIAL. It's really not necessary to give such assurances, because they are there publicly, to be seen, a matter of record. Twice this year, we have—in a moment of Sudan's need—come to the country's assistance. That kind of public performance is a very sufficient earnest of our willingess to stand by Sudan if it is overtly threatened by aggression without.

Q. Does that mean then the United States would permit [*commit?*] weapons and manpower to defend Sudan?

SENIOR ADMINISTRATION OFFICIAL. No, no, no. It doesn't mean that precisely at all. It means that Sudan understands that we will do—that we are concerned with its security and its stability. And how we do it, that is one of the things that we have a government for. They can come up with lots of different recipes, lots of different approaches to assure that. You have seen

[31] Source: Office of the Press Secretary to the President. The briefing was conducted on background by a senior administration official, beginning at 1:42 p.m.

a couple of the solutions that we have come to on that point already this year.

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E. Horn of Africa

Document 591

Prepared Statement by the Assistant Secretary of State for African Affairs (Crocker) Before a Subcommittee of the House Appropriations Committee, April 27, 1983 [1]

U.S. Policy Toward the Horn of Africa

The Horn of Africa is an area of substantial and growing interest to the United States. Its proximity to the Middle East and the shipping lanes to the Persian Gulf give it strategic importance and a role in our efforts to improve our ability to project power in southwest Asia. We have formal military access agreements with Kenya and Somalia. [2] These strategic interests increase our concern over the stability and political orientation of the states of the region. At the same time, the region remains an area of significant humanitarian concern to us, having one of the largest concentrations of refugees in Africa and conditions of poverty and instability which create great human suffering.

The region is beset by serious political and economic problems. Somali irredentism has led to three wars in two decades involving Somalia, Ethiopia and Kenya, including a major Somali invasion of eastern Ethiopia in 1977–78. At the time of this invasion, made possible by large scale Soviet arms supplies to Somalia, Moscow switched sides and opted for massive infusions of Soviet aid and Cuban troops on the Ethiopian side. In return for their help, the Soviets have acquired access to naval and air facilities in Ethiopia. A large Soviet bloc presence remains in Ethiopia, including some 11,000 Cuban troops. The Ethiopian Government continues to pursue military solutions to serious internal dissidence or insurgency in parts of Ethiopia, with adverse consequences for stability in the region as a whole.

Since 1977–78 the balance of military power in the region has shifted dramatically in Ethiopia's favor. Ethiopia now has the largest standing army in sub-Saharan Africa. Unfortunately, Ethiopia has recently used this strength to destabilize some of its neighbors. The signing of a tripartite pact in August 1981 between Ethiopia, Libya, and South Yemen [3] was soon followed by a campaign of terrorist and guerrilla attacks from Ethiopian territory against Sudan and Somalia. More recently, in the summer of 1982 Ethiopian forces accompanied by smaller numbers of Somali dissidents seized and occupied salients around two towns along the disputed Ethiopian-Somali border. Ethiopian troops still occupy those salients. The Somali dissidents involved in the incursions were trained and armed by the Ethiopians with considerable Libyan help, as have been Sudanese dissidents being directed against Sudan.

I should stress that our own activities in the area, including our acquisition of access rights in Kenya and Somalia, are not directed at any states in the region. Our strategic interests in the Horn of Africa are strictly corollary to our broader interests in southwest Asia and the Indian Ocean, and our military activity in the Horn, including our acquisition of access rights in Kenya and Somalia, is directed at protecting these larger interests. We harbor no hostility toward Ethiopia, a nation with which we have a history of

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[1] Source: *Foreign Assistance and Related Programs Appropriations for 1984: Hearings Before a Subcommittee on Appropriations, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), Part 4, pp. 303–308. The hearings took place before the Subcommittee on Foreign Operations and Related Agencies.

[2] Reference is to the U.S.–Kenya Access Agreement concerning U.S. use of certain facilities in Kenya, June 26, 1980, not published, and the U.S.–Somalia Access Agreement, August 22, 1980. Regarding the latter, see *American Foreign Policy: Basic Documents, 1977–1980*, pp. 1237–1238.

[3] The Treaty of Friendship and Cooperation between Libya, Ethiopia, and the People's Democratic Republic of Yemen was signed in Aden on August 19, 1981. Article 16 of the treaty stated that, in the event of aggression against any of the parties, the other parties shall defend together the party attacked.

long and close ties even if we have had differences in recent years; we recognize and fully support the sovereignty and territorial integrity of all the states of this region, including Ethiopia. We have, furthermore, stated our strong support for the OAU principle of respect for borders and made clear our opposition to any Somali claims on Ethiopian or Kenyan territory or any Somalia military activity across the generally recognized borders of those countries. Consistent with the views of Congress we have made clear that U.S. military assistance to Somalia is provided with an understanding that Somalia will not send its military units into Ethiopian territory. Somalia has in fact moved to improve its relations with Kenya, and recently President Siad announced that Somalia had no territorial claims against its neighbors.

Tensions, mistrust, and deep-seated historical animosities still threaten peace between Somalia and Ethiopia. In this context, we are obviously and legitimately concerned about the stability of our friends in this region, and our emergency airlift of military equipment to Somalia following the Ethiopian incursions last summer should demonstrate that we are quite prepared to support our friends when they are threatened.

Given the level of Soviet military support to Ethiopia, it is a practical impossibility to create a balance of military power on the Horn through assistance to our friends. It would take over a century of our aid at the rate of the past 2 fiscal years for Somalia to match Ethiopia in military hardware. It would also be an unwise use of our own and our friends' resources to fuel a regional arms race, and thus perhaps renewed or even escalated conflict, in the Horn. But we must and will take the steps necessary to provide Somalia and Sudan with a basic capability to defend themselves against the types of conventional attack Somalia experienced last summer and Sudan almost experienced this February, and the guerrilla harassment both have faced since early last year.

We fully recognize, however, that there are no military solutions to the problems of the Horn. Only negotiated settlements can resolve the underlying tensions that have long troubled this region. The United States stands ready to contribute to such a resolution. We have already from time to time provided our good offices to Somalia and Kenya as they have begun trying to improve their relations. We are prepared to help the Ethiopians and the Somalis find a way out of the seemingly intractable conflict between the two, if such an opportunity arises. We do not believe that a solution would be easy, but it is essential for the long-term stability and prosperity of the region that the nations involved find a way out of the drain and diversion of their resources that this conflict represents.

The economic difficulties of the region may in the long run be just as dangerous as the political conflicts. Sudan has a debt service ratio of over 100 percent and is facing severe economic difficulties. We are working with a group of other concerned countries and the international financial institutions to help Sudan through what is going to be a very rough couple of years. Kenya as well is facing serious problems of structural imbalance and economic deterioration; we have been participating with a number of Kenya's other friends in an effort to help Kenya's economic adjustment.

Somalia is one of the poorest countries in the world in terms of natural resources, and long suffered from misdirected economic policies, but it has recently been making remarkable progress under a series of economic reforms started in 1981 and an IMF program. A study done in 1982 by respected development economist Eliot Berg found that the Somali economy in general and particularly the export-oriented private livestock and agriculture sectors were experiencing an energetic recovery and have the potential for considerable further improvement. The IMF is pleased with Somali compliance with the criteria of its program, and the IBRD is now working with Somalia to prepare for the first meeting of a Consultative Group in October. Nevertheless, Somalia still faces pressure on its balance of payments and foreign exchange reserves, still needs to pursue its program of economic reforms if it is to continue its recent record of recovery, and in both processes requires the close cooperation and support of its friends.

What we are looking at, then, is a broadly based, fairly complex strategy moving along several tracks at once. We are trying to bolster the security of our friends both in a military and an economic sense, and probe for openings for move-

ment toward some resolution of the conflicts which plague this region.

The resources we are seeking are appropriate and necessary to this strategy; we are, in fact, trying to do a great deal with very little. For this coming year, for example, we are asking for $40 million in MAP for Somalia; this is not an arbitrary doubling of last year's figure, but an attempt to deal more realistically with what it will take to give Somalia a plausible capability to defend its borders. $40 million is still relatively little, however. At this level it would take more than 50 years of spending before we could approximate what the Ethiopians have received from the Soviets in the last 5 years.

The major thrust of our assistance efforts, however, is not military but economic. Two-thirds of our aid to Somalia is economic. More than two-thirds of our aid to Sudan and Kenya is economic. We are well aware that the most serious threat to these countries is from the disruption that could be caused by economic decline and crisis.

Obviously, in the Horn of Africa we are faced with a thicket of intertwined problems. Some are more urgent than others, but all are serious. We are taking a careful, comprehensive, integrated approach in coordination with our allies and other interested regional states. Our objectives are improved stability and security for our friends over the near term, an improved economic situation over the middle term, and over the longer term, the resolution of the underlying economic and political problems of the region.

Document 592

Transcript of a Department of State Press Briefing, July 29, 1983 (Extracts) [4]

U.S. Assistance to Ethiopia

MR. MCPHERSON. Thank you. Nice to see all of you again.

The policy of this administration, and indeed of the U.S. Government, for many, many years, has been to respond to disasters without regard to the politics of the government of the country involved.

I think it's very clear that a hungry child knows no politics, and so such a humanitarian response to the people as opposed to the government is exactly the right policy.

The situation in Ethiopia is one that has concerned us for some time. There is a very large area of the country which has been drought-striken for some time now. The numbers of the people affected are unclear.

UNDRO, when it issued its appeal a couple months ago, its initial appeal, concrete appeal for relief, talked in terms of 3 million people in the area that was affected by drought and some 1 million which were in danger. There has been, of course, quite a lot of discussion about those figures and the facts are that nobody really knows exactly how many people are in Ethiopia, let alone how many people are in danger.

In any case, it's clear that there's a very serious drought in the area, a life-threatening drought, and one that obviously must be dealt with. Rains have come to some parts of the area, and there is at least some growth, we know, but in any case there's going to be a lack of food at least for the rest of this year and probably on into 1984.

What has the U.S. response been to this? So far in fiscal year 1983, we have responded with some $6.7 million dollars of food. Four million dollars of this was in direct response to the drought. This food has been food that the United States could uniquely supply, so-called fortified, enriched foods, particularly soy-fortified sorghum grits and corn-soy milk.

What is involved here is that when a person is under-nutritioned, has serious nutritional or health problems as a result of lack of food, that this enriched food can fairly quickly, much more quickly than other sorts of food, bring that person back to a more healthy state. Other donors have not had this sort of food available in

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[4] Source: Department of State files. The briefing, conducted by the Administrator of the Agency for International Development, M. Peter McPherson, the Assistant Secretary of State for African Affairs, Chester A. Crocker, and the Deputy Assistant Secretary of State for African Affairs, Princeton Lyman, began at 4:05 p.m.

their usual donor program, so it seemed especially appropriate for the U.S. Government to supply this.

We have supplied the needs, as defined by a couple different groups, for this kind of food and that has been basically the $4 million that we have given for a total amount of food so far in 1983 of $6.7 million.

In addition, there has been some feeding of refugees that have fled Ethiopia into Sudan, on the Sudan side of the border. Additional food which we have provided, which we've announced, is a continuation of a feeding program going on into 1984 of $3 million more. This is a mother/child feeding program which we have had there for a few years.

Mother Teresa, for example, has a mother/child feeding program in the capital, and is part of that $3 million. There had been consideration of whether that on-going feeding program, at least all of it, would be continued at the levels that it has been but it was clear to us, upon carefully reviewing this whole matter, that the drought was so severe in affecting virtually all parts of the society and country in one fashion or the other that we should continue to do so.

A major issue in Ethiopia, in connection with the drought, has been transportation of the food. It is agreed by almost all parties at this time that there is enough food within the borders of Ethiopia to deal with this problem.

Much of the food, however, is in the ports of Ethiopia—here, here; there along the Red Sea. (Indicating on map.) They've had difficulty getting the food out of the ports. At this time, for example, a major bridge that needs to be crossed to take food into the country is now destroyed, as well as there have been some operational problems.

There haven't been allocated, or aren't enough trucks to bring the food in, for example. Let me get back to that in a moment. So there's been a request to the world by UNDRO once more to supply some of this transportation need.

I announced a couple of days ago that we would be providing some $700,000, most of it for transportation and management of our transportation,[8] and that we are working with the Catholic Relief Service to manage this component. Much of our transportation money will, in fact, go to transport our food.

There was a debate, a discussion really, to the donor community as to how that transportation money should be provided. There was some possibility that we might actually provide trucks. Trucks are physically difficult to immediately move in. They can't just sort of drop from the sky, at least not easily. We have had some people over there looking at this very carefully and felt that there were trucks around to rent. What we are going to have Catholic Relief Service do is have cash available to, in effect, rent vehicles on the spot.

The transportation thing is complicated, frankly, by coordination within the country and by, it would appear, the Ethiopian Government not allocating vehicles to this whole need that they could, I mentioned a moment ago the clogging of the ports.

There was a huge shipment in of cement which seemed to be given priority to truck into the country over having trucks being used to transport some of this food. We think, in short, and I believe in all candidness, that much of the donor community feels that the Ethiopian Government could do a good deal better in allocating the vehicles that it has at its disposal for this transportation.

I might note that while the West has done a substantial amount—for example, the West has, in total, supplied some $3½ million for transportation, about half a million of that being the United States. We don't know of transportation that the Russians have supplied. Frankly, it's pretty clear that the Soviets could be doing a great deal more than what they are.

Q. What was the Western total?

A. Three-and-a-half-million dollars. It could be doing a great deal more than they are, and we urge that both the Soviets come up to their responsibilities in this area as well as the Ethiopians in doing a

[8] AID Administrator McPherson informed the House Foreign Affairs Committee on July 26, 1983, that the United States would provide $700,000 for Catholic Relief Services to transport emergency food supplies to Ethiopia.

better job of allocating the resources that they have available to them.

This gets to my last point, and really the principal announcement of a new effort, of an additional effort that we're putting into this. Our assessment is that what needs to take place to move this thing along, to get this job done, is stronger coordination on the ground.

We've gone through, of course, a number of disasters over the years and have pretty good experience as to what it takes to make these things work. One of the clear lessons is that you need someone on the ground who really coordinates, who coordinates the various donors' inputs and who can give regular and clear information as to what is needed where.

UNDRO, historically, has not been an operational agency. Their function has been to define need and lay out the need to the world and ask the world to come in and do it. For the first time ever, very recently, UNDRO took the responsibility in Chad to coordinate the donors' responses to the drought and the war situation there, and did a very, very good job.

This afternoon, accordingly, I've sent to Geneva, where UNDRO is located, a telegram asking them to take the lead of not only setting out to the world what the general problem is but to actually have people on the ground to coordinate this. That telegram to UNDRO, as well as the same telegram informing our fellow donors, will be available today.

That is the general situation. I think it might be of interest to you as well that there is a very severe drought in several parts of southern Africa. It goes across here (indicating) from Mozambique up into Tanzania, across into Angola surely, and several places down here. Zimbabwe, as an example, which has traditionally been a major exporter to the region of corn, is not in a position to export this year because of the problem and, indeed, has got some severe drought problems in areas of its own.

Because of that, a few weeks ago—perhaps many of you know—a few weeks ago we have allocated some $25 million as a reserve to respond to that drought, [6] and this fiscal year, to date, we have actually apportioned some $9 million. That being another example of our policy—the long-term U.S. policy that I mentioned a moment ago—of the United States responding to need without regard to our relationship to countries. Nine million dollars, for example, went to Mozambique in the last fiscal year. In fact, that was over and above that $25 million, a part of it.

We have a number of problems; Africa has a number of problems, and we continue to track those needs and respond carefully to them as best we can.

We have a responsibility, obviously, to be certain that the food we deliver to the country, or goods we provide, actually are used by the people who need them. These are fairly tumultuous situations, and often it's hard to be certain that the food actually gets to the needy person. So sometimes it takes a little work in advance before we appropriate or allocate the monies.

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Q. How do you deal with the problem in a country at war? Most likely, the last person to starve will be the soldier.

A. There's no question that that historically is true—that soldiers usually eat, and even when other people may be in very bad condition. We have to be certain, as best we can, with the food that we provide, that there is not a diversion of our food.

We have a pretty good record of preventing that, but it's only because we are elaborately careful. There's no substitute to having people on the ground watching and caring for it.

Our long relationship with the Catholic Relief Services and their ability to handle this kind of thing is why we've gone to them. But it's also why we've to sort through this whole problem for a little while.

Some of you may remember a few months ago there was a story, first in the European press and then our press, that some of the food that was being then provided by European donors had been di-

[6] The Department of State announced on June 10, 1983, that the United States would send $25 million in emergency food aid to drought-stricken African countries.

verted to the Ethiopian military. And apparently in the end that story was inaccurate, but it appears to be. We don't have a full backup on that, but the facts are that it's the kind of thing that we continually have to worry about and to question if it's appropriate.

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Q. On the point you made that politics can enter this thing, somebody today—I'd have to go through my notes and find out who it was—but somebody said that our effort in Somalia was much larger than our effort in Ethiopia is today; is it?

A. I don't have the total figure for the Somalia program; but over a period of the drought and refugee situation, it was certainly much larger than we've given to date. We were a very primary donor to Somalia. I would suspect that we were, by far, the largest one in Somalia. We think that that was for the whole period.

We're, of course, continuing to watch the Ethiopian matter and will be responding with the other donors.

This activity, like all these activities, should be a coordinated effort of the world community.

Q. And your point is that that is not a political difference. It's simply that we were the major donor there. A and B, it was over a longer period of time.

A. Yes. It certainly wasn't a political difference.

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Q. Why was the administration's P.L. 480 request for Ethiopia dropped and then reinstated?

A. The question is that why was the 1984 Ethiopia ongoing feeding program not included as a projection until—and then we announced that we were going to have a 1984 program?

It wasn't formally—it wasn't dropped; it just wasn't included. And I make that distinction because we have felt for some time that the Ethiopian Government should be doing a great deal more for its people. There is some concern for a long time that there were a lot of military expenditures where there were a lot of very hungry people.

And based upon that, we have in fact tried to signal the Ethiopian Government that we think they need to do more.

That signal was very appropriate when we made it, which was almost a year ago. We've been saying in that signal and many other ways it's time for the Ethiopian Government to do more.

The reason for the reinstatement of this program or the indication that we're going to continue with the program in 1984 was, frankly, it's clear to me that the drought was affecting almost everything in Ethiopia and that we were going to be hurting very hungry people if we didn't continue with that program.

It's one of those problems that you get when you take a position that the hungry child knows no politics that it's hard to signal as strongly as you'd like to that the government of that child should do more. And so we're caught in that quandary and we are proceeding to have a need for a program.

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F. West Africa

Document 593

Statement Read by the Department of State Acting Spokesman (Romberg), February 7, 1983 [1]

U.S. Food for Nigerian Expellees

On January 17, Nigeria announced that all undocumented aliens had to leave the country within 2 weeks.

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[1] Source: Office of Press Relations, Department of State. The statement was read during the Department of State Daily Press Briefing which began at 12:23 p.m.

While the original expulsion order has subsequently been modified to extend the deadline for 4 weeks and for certain categories of aliens, several hundred thousand expellees have left Nigeria.

It appears the numbers of expellees traveling home has peaked. We do not have exact numbers, but most of those affected apparently are Ghanaians.

The Government of Ghana has estimated that over 350,000 of its citizens returned home.

We are participating in an international relief effort in which the U.N.'s Office of the Disaster Relief Coordinator, UNDRO, is taking the lead in coordinating emergency humanitarian assistance.

In Benin, where large numbers of expellees were initially concentrated, owing to closure of the Ghana-Togo land border by the Ghanaian Government, we authorized use of up to 720 metric tons of food and donated $20,000 for purchase of emergency supplies such as drugs.

In Togo we made available up to 30 tons of food and $25,000 for purchase of emergency supplies.

In Niger we have donated $25,000 to purchase fuel to transport the returnees from processing points to their home regions.

In Ghana we made an initial allocation of 60 tons of food to feed returnees.

We are coordinating with other donors under U.N. auspices on what additional aid might be needed in Ghana and elsewhere.

Document 594

Transcript of the Department of State Daily Press Briefing, April 4, 1983 (Extract) [2]

Ghanaian Allegations of Improper U.S. Activities Based on Forged Document

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Q. The Ghanaian Government has alleged that some American diplomats there have engaged in improper activities. [3] Do you have any comment?

A. Yes, I do. I might note as a preface that I understand that the charges relate to both alleged CIA activities and alleged activities by our diplomats, including the Ambassador.

In line with our usual practice, I'm not going to comment about the alleged intelligence activities. (Laughter) But, regarding our diplomats, over the course of recent months the U.S. Government and its representatives in Accra have been subjected to a barrage of unjustified charges of antiregime activity, first at official inspiration in the Ghanaian press and now by a senior government official. We have called to the attention of the appropriate Ghana-

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[2] Source: Office of Press Relations, Department of State. Alan Romberg, Department of State Acting Spokesman, conducted the briefing which began at 12:24 p.m.

[3] On March 31, 1983, Captain Kojo Tsikata, Special Adviser to the Ghanaian Provisional National Defense Council, headed by Flight Lieutenant, Jerry John Rawlings, held a press conference in Accra and charged U.S. diplomats at the Embassy with attempting to overthrow the Ghanaian Government. He produced an alleged West German document reporting that U.S. Ambassador to Ghana Thomas W.M. Smith was dissatisfied with his CIA staffers, and of the opinion that they could "only prove themselves if they achieve basic changes in the country and succeed in overthrowing Rawlings." On April 2, the Federal Republic of Germany revealed that the document was a fabrication, and the United States made a formal protest to the Ghanaian Government. Ultimately Ghana tacitly accepted the fact that the report was a forgery. For further information, see *Soviet Active Measures*, Special Report No. 110, September 1983, Department of State, Bureau of Public Affairs, p. 5.

ian authorities the inaccuracy of these charges, the dangers that they constitute to the well-being of our diplomatic personnel, and the damage that they risk doing to our bilateral relations.

Mr. Tsikata's charges are patently absurd. They are based in large measure on what we have reason to believe is a fraudulent document, and otherwise are without foundation. They appear to reflect a deliberate effort to disturb relations between the United States and Ghana.

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Document 595

Transcript of a White House Press Briefing, June 6, 1983 (Extract) [4]

Visit of Ivory Coast President Houphouët-Boigny

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[SENIOR ADMINISTRATION OFFICIAL.] . . . we would like for this visit to result in several things. We see it as an opportunity to recognize the outstanding moderate leadership of President Houphouët-Boigny over the years to acknowledge his influence with other African leaders, to acknowledge the values which we share. It's an opportunity to reaffirm our government's encouragement to the American private sector, both commercial, business, and academic, to intensify their own activities in Ivory Coast. The country is tailor made for private sector activity.

We hope, also, that President Houphouët-Boigny will return to his country with an enhanced or a stronger stance on particular international issues which are of concern to both of us. Ivory Coast positions in the United Nations are generally moderate and generally coincide with our own.

Finally, we hope that in our discussion at several levels with the Ivorians here, during the visit, that President Houphouët-Boigny and his government, his ministers, will return with a better understanding of the U.S. Government's point of view on commodity pricing, which really is the only issue between our two governments. Ivory Coast feels, in effect, that the Western countries, particularly the world's largest consumer of cocoa and coffee, the United States, should make more of an effort to help arrange commodity pricing which will provide remunerative prices to the Africans. And we, on the other hand, have never felt and do not feel today that government intervention in the fixing of prices is a good thing. This is the subject of long discussion between us and it will continue during this visit, I imagine.

I think I'd like to ask—excuse me.

Q. Are you ready for questions?

SENIOR ADMINISTRATION OFFICIAL. I wanted to give my colleague an opportunity to say anything that might come to mind, and then we'd both be happy to take your questions.

SENIOR ADMINISTRATION OFFICIAL. I'd only add that we see the visit as an opportunity, not only to show our interest and appreciation for the cooperation which we have had from President Houphouët-Boigny and his government through the years, but also to underline the importance that this administration places on the Francophone African States. Houphouët-Boigny is the doyen of the Francophone African leaders. They are, in the main, moderates. They have been supportive of the United States, not only during the current administration, but in the past. And we've orchestrated a series of gestures to try to convey to them our appreciation for their support and to encourage it in the future.

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[4] Source: Office of the Press Secretary to the President. The briefing which was conducted on background by two senior administration officials in the Briefing Room of the White House, began at 10:05 a.m. President Felix Houphouët-Boigny was in the United States from June 6 to 20, 1983, and visited Washington from June 6 to 12.

Document 596

Statement by President Reagan, June 7, 1983 [5]

Welcome for Ivory Coast President Houphouët-Boigny

We're privileged to welcome to Washington today one of the world's senior statesmen, a man of outstanding stature and the father of his country—His Excellency President Felix Houphouët-Boigny of Ivory Coast. (Applause)

On the African continent and throughout the world, he is known as a spokesman for reason and open communication as the means for resolving conflict and ensuring a better world. We share with President Houphouët-Boigny this belief in dialog. I look forward to our discussing today, and in many days to come, on the vital issues which face the African Continent and the world.

Ivory Coast itself is an outstanding example of the progress and prosperity that can be achieved in an atmosphere of peace, security, and individual liberty. The President has often emphasized these as the fundamental ingredients of economic well-being and advancement. And we share his conviction—that only in conditions of peace and liberty can a nation achieve lasting economic and social progress.

It's a particular pleasure for me to welcome today the leader of a nation which has so warmly and graciously welcomed so many of our own representatives.

Mr. President, I have received enthusiastic reports about Ivory Coast and its economic vitality and vast potential from Secretaries Baldrige and Block, [6] several Senators, Assistant Secretary of State Crocker, and others. And all of them were struck by the advances your country has made—advances reflecting your commitment to a free economy which encourages producers through a philosophy of hard work and self-help.

There is a saying in Ivory Coast, "If your stomach is empty, ask your hands why." (Applause) Well, you and your countrymen have worked hard, and in doing so, you've improved your lives and gained the respect of the world. The remarkable progress of your country's agricultural endeavors is a tribute to your enlightened leadership. By making it possible for your farmers to get a fair return for their work and by recognizing the importance of this sector of your economy, you've spared the people the deprivation that has befallen many others.

Ivory Coast has built one of the richest economies in Africa by understanding that before wealth can be divided, it must be created. Ivorians can be proud of their solid record of economic improvement since independence. At the same time, your income distribution is among the fairest on the continent.

I'm pleased that the American private sector has been able to play a role in realizing what you refer to as Ivorian well-being.

As we welcome you once again to our country, we note that many changes have occurred since your last visit to the White House in 1973. [7] Nations around the globe, including the Ivory Coast and the United States, are struggling to overcome a period of severe economic problems and uncertainty. But together, we can face the future with confidence.

Our two peoples share a desire for liberty and progress that can, and will, triumph over adversity. So today, let us renew our pledge to each other that as we walk the road to the future, we, the people of the United States and Ivory Coast, will do so as friends.

Mr. President, welcome to the White House. (Applause)

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[5] Source: White House Press Release, June 7, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, June 13, 1983, p. 838. President Reagan spoke at 10:40 a.m. on the South Lawn of the White House at the welcoming ceremony for President Houphouët-Boigny. For text of President Houphouët-Boigny's statement on this occasion, see *ibid.*, pp. 838–839.

[6] Reference is to the visit to the Ivory Coast, January 9–12, 1982, of a trade delegation headed by Secretary of Commerce Malcolm Baldrige and Secretary of Agriculture John R. Block.

[7] Reference is to President Houphouët-Boigny's visit to Washington, October 9–11, 1973.

Document 597

Address by the Deputy Assistant Secretary of State for African Affairs (Robinson) Before a Conference Cosponsored by the African-American Institute and the First National Bank of Boston, Boston, June 22, 1983 (Extract) [8]

U.S. Business and Trade Relations With Nigeria

. . . . . .

Nigerian and American businessmen benefit by having, in their respective governments, a sympathetic ear for their concerns. Through nearly 23 years of independence, Nigeria has maintained a strong commitment to the vitality of its private sector. One has only to look at the market men and women, at the long and proud tradition of local, regional, transcontinental, and even world trade among its people to realize that free enterprise is the very backbone of Nigeria.

It is precisely because of this longstanding commitment to free enterprise in both countries, and the prospect that business issues will be treated with sympathy in our respective governments, that I raise the following points.

One issue, which affects Nigerian and American businessmen alike, is additional facilitative payments. This is the item most often cited by American business as the constraint in instituting or increasing commercial activities in Nigeria.

Of course, all businessmen are accustomed to paying commissions for legitimate services which help them deal with new situations and environments. What American businessmen are less accustomed to is acceding to repeated requests from individuals for commissions for services which are normally within their salaried duties. An additional difficulty for American businessmen is the constraint placed upon them by the strict provisions of American law.

I know that this issue affects Nigerians as well. After all, it is a central theme of a great novel by a great Nigerian writer, Chinua Achebe's *No Longer at Ease*. In that novel, bribery had tragic personal consequences for the hero. Perhaps, in the world of international business, the consequences are not tragic in the same way. Nonetheless, they are serious, and they affect Nigerians as well as Americans, if, among them, we find businessmen deciding that the monetary and psychic costs of this activity are too much to bear.

A second problem is that of delay in payments. I recognize that payment delays and import control requirements are enormously complicated, with roots in the liquidity problems that have affected Nigeria as a result of the world-wide oil glut. Nonetheless, it is important to note the serious effect of this question on the well-being of the entire commercial nexus which binds Nigeria to the rest of the world.

It extends beyond existing joint venture companies which are forced to cut back or cease operations in Nigeria because they can no longer import from low-cost, reliable U.S. suppliers wary of nonpayment. Companies that had been considering initiating business with Nigerians are also discouraged. Failure to resolve this question could affect not just current operating capacity in Nigeria, but the very attitudes of businessmen, which might take years to reverse.

As before, I have no easy solutions. Only the suggestion that, besides working together to make known how these issues adversely affect business, Nigerian and American businessmen might consider how they, as business experts, might assist in improving the level of efficiency.

Let me touch very briefly on two further issues. One has to do with imports, the other with the financing of trade. America's commercial ties with Nigeria are concentrated in construction, petroleum, and finance. There is less American representation in the manufacturing sector, despite the expertise we can offer to assist Nigeria in this crucial aspect of its economic development program.

In order to attract American investment in this sector, there must be a prospect of assured supplies of the necessary materials and spare parts. Interruptions in these supplies are, I know, attributable largely to the economic downturn in Nigeria and the difficulty of managing many competing import priorities. Once again, I offer

[8] Source: Department of State files.

no easy solution other than the observation that businessmen in the manufacturing sector—Nigerian and American—will need to make their case for a strengthening of Nigerian industry in order to make their claim for import licenses within a rational system of import priorities.

Concerning the financing of U.S.-Nigerian trade, this is perhaps the most complicated, but certainly also the most fundamental issue to be raised. I am encouraged to hear of progress in negotiations between Nigeria and Western commercial banks on a portion of Nigeria's short-term trade arrears. The U.S. Government is supportive of these negotiations between the private banks and the Nigerian Government, which meets the needs of all concerned parties.[9] . . . We understand that the banks will be looking closely at the progress of Nigeria's discussions with the IMF as a signpost of improved economic head [*circumstances*] by which to measure the risks of increased exposure.

These issues that I have raised should be considered challenges, not obstacles. Nigerian and American businessmen are fortunate to have governmental systems, strongly supportive of their activities, willing to listen to their concerns.

Nigerians and Americans, in public life and in business, have a unique opportunity to work together on matters of vital importance to our economic well-being to demonstrate that private initiative and the well-being of our nations are bound together inextricably. The success of this joint venture could very well set an example of energetic commercial cooperation for all of Africa to follow. Thank you.

[9] Negotiations between Nigeria and 24 Western banks to refinance $1.6 billion of Nigeria's short-term foreign debts were successfully concluded on June 14, 1983.

Document 598

Transcript of the Department of State Daily Press Briefing, August 8, 1983 (Extracts) [10]

The U.S. Response to the Coup in Upper Volta

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Q. What was the Embassy in Ouagadougou reporting about the coup in Upper Volta [11] and Libya's involvement in that?

. . . . . .

[A.] Captain Sankara announced, as you know, that he led the move to depose the former government. He is the Chairman of the National Revolutionary Council, and we have no further information on the composition of a new government.

At a meeting of the diplomatic corps on Saturday, [12] Captain Sankara read a statement in which he said, *inter alia*, that the National Revolutionary Council wants good relations with all nations and that in foreign affairs the nation would follow the path of nonaligned nations.

The United States welcomes this indication of a desire for good relations and the intention to follow nonaligned foreign policy. We regret violent and unconstitutional changes of government anywhere, but the nature and form of the government is basically an Upper Volta matter.

We would hope to be able to continue a productive and cooperative relationship with Upper Volta based on mutual respect and understanding.

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[10] Source: Office of Press Relations, Department of State. John Hughes, Department of State Spokesman, conducted the briefing, which began at 12:20 p.m.

[11] On August 4, 1983, the government of President Jean-Baptiste Ouedraogo was overthrown by a coup led by Captain Thomas Sankara.

[12] August 6, 1983.

Document 599

Statement by President Reagan, August 10, 1983 [13]

President Reagan's Meeting With Senegalese President Abdou Diouf

It's been an honor and a pleasure to welcome President Abdou Diouf to the White House today and it is especially fitting that our meeting takes place on the 100th anniversary of our American Consulate on the Senegalese island of Goree. President Diouf is one of Africa's most impressive leaders. He is a peacemaker, a problem-solver, whose fine reputation preceded him to Washington.

After meeting with him, working with him, and talking to him, I can only say it is a reputation well-deserved. In our conversations this morning and at lunch we discussed many important international problems, particularly those of Africa, the Third World, and the Middle East. On many of the issues our views converge; on others we've agreed to differ. We've always done so, however, in the spirit of mutual respect and in the context of a valued bilateral relationship. I have formed a high personal regard for President Diouf's wisdom and integrity and I value both his views and his counsel.

Senegal and the United States are relative rarities in this troubled world, democratic nations living under the rule of law and devoted to human rights, committed to the search for peaceful solutions for international problems. I've assured President Diouf of America's support for him and for Senegal. I've also expressed our admiration for his accomplishments at home and abroad. In the months ahead, I look forward to both building our personal friendship and strengthening the important ties that bind our two peoples, knowing our relationship can only further the cause of world peace.

[13] Source: White House Press Release, August 10, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, August 15, 1983, pp. 1107–1108. President Reagan spoke at the South Portico of the White House at 1:17 p.m. prior to President Diouf's departure. President Diouf visited Washington, August 9–12, 1983. For text of President Diouf's statement on this occasion, see *ibid.*, p. 1108.

Document 600

Transcript of a White House Press Briefing, August 10, 1983 (Extracts) [14]

Discussions Between President Reagan and Senegalese President Diouf

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[Senior Administration Official.] The relationship between the United States and Senegal has been excellent for many years. It is—I would think it's accurate to say—a relationship which has been getting progressively deeper and more substantive in recent years. And we believe that is all to the good.

. . . . . .

The kinds of topics discussed obviously included the question of developments in Africa. We, the two sides, discussed in some detail the challenge that Qaddafi of Libya poses to Africa, including in the Chadian context, although not limited thereto.

They discussed a good deal the question of the interrelationship between security, on the one hand, and economic development on the other, the two objectives which the Senegalese President argued are those of Africa. And on the U.S. side, there was full agreement that, indeed, those are the two objectives that we should be working together on to try to strengthen both security and development and that the two depend upon each

[14] Source: White House Press Release, August 10, 1983, Office of the Press Secretary to the President. The briefing, which was conducted on background by senior administration officials in the Briefing Room of the White House, began at 1:28 p.m.

other. In that general sense, there was an absolute identity of views.

There was also considerable discussion and our President asked the Senegalese President for an analysis of the internal economic situation in Senegal. And President Diouf explained at length the difficulties facing the Senegalese economy and the nature of the most extremely difficult decisions that he is in the middle of now, he and his collegues, in terms of helping Senegal address that economic agenda. It involves a whole series of things, including budget planning, including subsidies internally in the economy, including agreement with the IMF, and so forth.

As I mentioned, there was discussion, as well, of the Chadian situation, of the OAU in the wake of the recent summit meeting in June in Addis Ababa, the 19th summit, at which President Diouf played a very central role. [15] And, in addition, the question of developments in southern Africa and our common desire for movement towards Namibia's independence as soon as possible.

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[15] The 19th Meeting of the Organization of African Unity was held in Addis Ababa, June 8–12. President Diouf was instrumental in preventing the breakup of the meeting over the Western Sahara dispute.

Chapter 15. Latin America

A. Regional Policies

Document 601

Remarks by the Deputy Assistant Secretary of Defense for Inter-American Affairs (Sanchez) Before the Palm Beach Republican Club, Palm Beach, Florida, February 22, 1983 [1]

U.S. Security Interests in Latin America

This evening I want to focus on Latin America, a region that is important to the security interests of the United States. If there is one point made abundantly clear by trends in this region, it is that we need to devote more attention—not less—to this region. I will address the Soviet/Cuban threat to Central America and the Caribbean, note some of the implications of that threat and Soviet expansion in the region, and finally discuss our policy response to the threat.

Over the past 22 years, the Soviet Union has successfully reinforced the penetration it made into this hemisphere when Fidel Castro came to power in Cuba. The Soviet Union has been able to establish a permanent presence in the Western Hemisphere and through its surrogate—Cuba—to challenge the stability and security of a region too long taken for granted. The Soviet Union maintains almost back-to-back deployment of its long-range Bear bombers to the region. Soviet naval combatants recently participated in joint training exercises with the Cubans. This was the 22d visit to Cuba since the first visit in July 1969. The Soviet brigade which is stationed near Havana provides a palace guard of approximately 3,000 men. Soviet presence also includes about 2,500 military and 8,000 civilian advisors.

The Soviet Union has provided a stream of military equipment to Cuba. In 1981 alone, Moscow provided 66,000 metric tons and $600 million in military assistance. This was the highest total since the buildup in 1962—the year of the missile crisis. However, deliveries in 1982 exceeded the 1981 level by 2,000 metric tons and amounted to more than $1 billion of military assistance.

The growing Cuban military strength has enhanced its capabilities dramatically over the last few years. Its military capability is now far in excess of actual or perceived defensive needs. Cuban armed forces include an army of over 225,000, a navy of about 11,000, and air defense forces of 16,000. These figures do not include hundreds of thousands of paramilitary forces which in many cases are better trained and equipped than the regular armed forces of its neighbors in the Caribbean and Central America.

Cuba has over 2.3 percent of its population in the regular armed forces. One of every twenty Cubans participates in some kind of security mission. By comparison, the United States has less than 1 percent of its people in the regular armed forces.

The Cuban army includes 9 active and 18 reserve divisions. With about 21 times the population of Cuba, the United States in contrast has only 24 divisions—16 active and 8 reserve. Cuban ground forces have over 650 tanks and 90 helicopters, including the MI-24 Hind—the world's foremost assault helicopter.

Cuba has about 50 torpedo and missile attack boats, including the modern Turya hydrofoil torpedo boat—exported only to Cuba. With Soviet assistance, Cuba is gradually acquiring a blue-water navy. Since 1978, the Soviets have provided two Foxtrot attack submarines, a Koni-class frigate, and two amphibious assault ships. If Cuba were interested in defensive needs only, it would have no need for such projection forces. The Soviets are expected to continue to expand the Cuban blue-water capability and upgrade other capabilities.

The Cubans have well over 200 MIG fighter aircraft. Just this year enough MIG-23 Flogger aircraft were delivered to

[1] Source: Department of Defense files.

Cuba to form at least a second and perhaps a third squadron.

We have been exceedingly tolerant of the Cuban threat, possibly because we believe—perhaps incorrectly—that this island could be isolated from the rest of the Caribbean. However, proliferation of the Cuban threat globally, and specifically throughout the Caribbean Basin, becomes a significant threat to the vital security interests of this country.

With its population of less than 10 million and a land area of about 44,000 square miles, Cuba is involved globally—providing military and technicial advisors and assistance in Africa, in the Middle East, and as far away as Vietnam. Castro currently has about 65,000 Cubans serving overseas, including 40,000 military and 25,000 civilian technicians. Most are involved in construction activities but many specialize in subversion. Cuba has about 25,000 troops in Angola alone and about 12,000 in Ethiopia.

Why does the Soviet-supported Cuban buildup and foreign intervention concern us? What are the implications of the expanding Soviet-supported Cuban threat to U.S. security interests in Latin America—especially in Central America and the Caribbean? This Soviet surrogate sits astride critical sea lines of communication. In peacetime, 44 percent of all foreign trade tonnage and 45 percent of our imported crude oil pass through the Caribbean. In wartime, half of NATO's supplies would depart our gulf ports and pass through the Florida straits to Europe. Critical reinforcements for NATO would also depart our gulf ports destined for Europe.

Many consider the Caribbean to be the Achilles heel of NATO. We must assume that the Soviets have noted our vulnerability. Certainly, the Soviet presence in Cuba and activities in the South Atlantic indicate Soviet appreciation of the importance of our vital sea lines through the Caribbean. In 1970, Soviet naval vessels spent about 200 ship days in the South Atlantic. In 1980, the number of Soviet ship days in this area had increased thirteenfold to 2,600 ship days.

More disturbing than the Soviet-sponsored Cuban military buildup is Cuban assistance in transforming other countries such as Nicaragua into Marxist states and in the export of subversive activities to opportune targets in Central America and the Caribbean—especially El Salvador.

Castro is actively engaged in converting Nicaragua into another Cuba. There are approximately 5,000 Cuban civilain advisers and about 3,000 Cuban military and security advisers in Nicaragua. Nicaragua is also being assisted by advisers from the Soviet Union, East Germany, Bulgaria, North Korea, and the PLO. Cuba and other Communist allies are helping to build the Sandinista Armed Forces from their currently estimated strength of 138,000 into a 250,000-man armed force with 50,000 in the active forces and 200,000 in the reserves and militia. Once achieved, this will mean 1 in 19 Nicaraguans will be under arms. Thirty-nine percent of those 18 and older who are fit for service are already in the military. However, even at its present strength, the Sandinista Army represents the largest military force in the history of Central America.

Approximately 70 Nicaraguans were sent to Bulgaria for training as pilots and mechanics. According to a Sandinista official, the first class of 30 pilots was due to complete its training in December 1982. Existing landing strips in Nicaragua are being lengthened and will be able to accommodate the most sophisticated Soviet jet aircraft. Soviet advisers are deeply involved in directing the effort to upgrade the Nicaraguan Air Force. Although there is no evidence of MIG's in Nicaragua at present, they could be flown in quickly from Cuba.

The buildup in Nicaragua also includes 36 new military garrisons, over 1,000 East German trucks, about 100 anti-aircraft guns, and Soviet 152-millimeter Howitzers that can achieve ranges over 27 kilometers. With a second delivery of Soviet T-54/T-55 tanks to Nicaragua in late 1982, the Sandinistas now have approximately 50 tanks—enough to form a second battalion. Their naval force consisting of 15 patrol boats has been active and the source of friction with Nicaragua's neighbors.

The frightening implication of the Cuban, Soviet, East European, and PLO-supported Nicaraguan buildup is that it provides a platform for spreading subversion and supporting guerrillas in neighboring countries, especially in El Salvador. One of those neighbors, Costa Rica, has no regular armed forces to defend itself. Nicaragua has routinely violated the terri-

tory of another neighbor—Honduras—in supplying the Salvadoran guerrillas. In sharp contrast to the buildup of military forces and capability in Nicaragua, the Hondurans have a force of 17,500—which includes 5,000 police and security forces—and a 7-patrol boat navy. In the face of a Sandinista force of 138,000, the Hondurans are hard pressed to defend their borders and coastlines and to try to stop the continuing violation of their territory and adjacent waters. In the past, Honduras has relied on its small—and now antiquated—force of Super Mysteres and F-86's to deter aggression. It obviously would not be a match for the growing threat in Nicaragua.

In El Salvador, Cuba acted as the catalyst to organize and unify the groups of the far left, to include helping to organize a guerrilla combined military command in 1980. It assisted the guerrillas in developing a military strategy and initial war plans. It was Cuba that encouraged and assisted the guerrillas to launch the ill-fated, so-called "final" offensive in January 1981. The hand of Cuba continues to be seen in the support of the latest guerrilla offensive last month—conveniently timed to occur just prior to the Presidential certification of El Salvador. The Cubans have been instrumental in arranging for the acquisition and delivery of weapons to the Salvadoran guerrillas from Vietnam, Ethiopia, and Eastern Europe by way of Nicaragua. Guerrilla recruits have been transported to Cuba and elsewhere for extensive training.

Cuba has not devoted its attention and resources only to Nicaragua and El Salvador. Convincing evidence of Cuban activities has surfaced in virtually every Caribbean Basin country. In Grenada, Cuban influence has reached such a high level that it can be considered a Cuban protégé. The Cubans are constructing air and naval facilities there that far exceed the requirements of that tiny island. The Grenadian Minister of National Mobilization, Selwyn Strachan, has boasted publicly that Cuba will eventually use the new airport in Grenada to supply troops in Angola. He also indicated that because of its strategic location, the airport may be used by the Soviet Union. The St. George's Medical School may have to be relocated due to an extension of the runway.

Cuba has, over the past 2 years, significantly upgraded its presence in Grenada. Cuban goals in Grenada are military and political—aimed at ensuring the viability of the Bishop government, while serving as a base for Cuban propaganda dissemination in the Eastern Caribbean. Cuba has, for example, constructed a military camp in Grenada. The camp includes barracks, administration buildings, vehicle storage sheds, support buildings, and a training area with a Soviet-style obstacle course. Recent clearing activity indicates that additional training facilities may be built near Petit Calivigny Point and by Point Egmont. The camp is built to house a battalion-size unit and is being built by the Cubans.

Although there is no hard evidence of significant Cuban presence in Suriname—a former Dutch colony in South America, the Castro touch is evident in recent events there. The Cuban Ambassador is a senior intelligence officer who was formerly Chief of the Caribbean Section of the Americas Department of the Cuban Communist Party. The Americas Department is responsible for Cuban covert activities. The Cuban Ambassador has a very close relationship with LTC Bouterse—Suriname's military leader. In December, Bouterse cracked down on his opposition who were trying to restore democracy to Suriname. He firebombed labor union headquarters and radio stations and arrested 15 prominent labor leaders, journalists, the bar association president, and student leaders. All were later tortured and killed. A subsequent military purge resulted in the death of Bouterse's own deputy.

Moscow is assisting the activities of its Cuban proxy by underwriting Cuba at a cost of about $4 billion annually and by supporting efforts to collect funds, arms, and supplies from the Communist bloc for guerrilla activities in Central America and the Caribbean. As I mentioned earlier, such Soviet support includes blatantly delivering equipment directly to Nicaragua on Soviet bloc ships. What are the implications of this Soviet-funded Communist expansion—from its proxy Cuba to Nicaragua, Grenada, and elsewhere?

I think we can readily see that such Communist expansion could lead to an extensive Soviet permanent presence in the region with significant military consequences. It could literally place hostile forces and weapon systems capable of striking targets deep in the United States on our borders and adjacent waters. Soviet strategic capabilities—already sub-

stantial—would be increased significantly. It could provide air and naval bases—such as those under construction in Grenada—for the recovery of Soviet aircraft after strategic missions. It might also furnish missile sites for launching attacks against the United States with short-and intermediate-range missiles. It would provide bases which could be used for covert operations against the United States and our neighbors. The Soviets, always annoyed at our use of the forward basing concept in Europe, could use the same concept to preposition Soviet equipment, supplies, and ammunition in this hemisphere. Both the Soviet Pacific and Atlantic fleets could operate near our shores without having to return to the Soviet Union for maintenance.

The threat to our sea lines of communication—necessary particularly for reinforcement of Europe in time of war—is well-documented, especially the vulnerability of the Panama Canal. Because of the volume of goods passing through the Caribbean Basin, it would endanger the economic well-being of our nation. Perhaps more importantly, Soviet/Cuban expansion in Latin America would require significant alternation in current U.S. forward deployment strategy since a major threat would now exist in an area previously considered militarily secure. Such changes would require additional resources at significant costs and diversion of resources from other areas.

Considering the extent of the Soviet/Cuban/Nicaraguan threat and the serious nature of the security problem, you are probably wondering what the United States is doing to meet this growing challenge to our security interests so close to home. Our defense policy is designed to help our neighbors to restore stability and security to their nations and the region as a whole.

While each country in Latin America faces a slightly different situation, virtually every country has been challenged by Soviet, Cuban, and Nicaraguan-sponsored subversive activity. That subversive activity attempts to take advantage of the social, economic, and political problems that underlie the instability of the region. We place a high priority on support for democracy, economic development, and reform—but without a secure environment, these objectives are not likely to be attained. Consequently, the U.S. policy response to the regional threat involves helping individual countries—through security assistance programs tailored to their needs—to defend themselves. Our security assistance seeks to train and equip host country forces to maximize their effectiveness in combatting the Marxist guerrillas who have been trained, equipped, and supported by Cuba, Nicaragua, and the Soviet Union. Unlike Soviet assistance programs for Cuba and Communist bloc assistance to Nicaragua, the United States does not attempt to create large military forces that our friends do not require and could not maintain without extensive sustained external support. Neither do we desire or attempt to impose our presence. In 1982, the Soviets and Cubans had 50 times as many military advisers in Latin America as did the United States. Last year, the Soviets increased their military advisers in Cuba by 500 while the Cubans doubled their military advisers in Nicaragua. Perhaps of greatest significance, our security assistance programs are tailored to defensive needs which do not upset the regional balance.

U.S. security assistance to the entire region has been modest compared to military equipment and economic aid provided by the Soviets. Our security assistance to Latin America has increased under this administration, but it still amounts to only about 2 percent of U.S. security assistance worldwide. Unfortunately, U.S. security assistance to Latin America is far below what it should be and, even so, we normally have an uphill fight for these meager levels.

Perhaps the most visible examples of the influence of U.S. security assistance are the three U.S.-trained and equipped Salvadoran quick reaction battalions—two were trained in El Salvador and one in the United States. These battalions are the mainstays of the Salvadoran Army, but they are not enough to give the armed forces the edge over the guerrillas. Unfortunately, U.S. training has touched only about 10 percent of the Salvadoran military forces.

U.S. training has stressed the importance of good civilian-military relations in order to deny the support of the people to the guerrillas. The complimentary remarks made by one of the commanders of the People's Liberation Army guerrilla group indicated that such training has been very successful. He noted to a correspondent after an encounter with a U.S.-trained bat-

talion that it was not only a better trained unit than any he had faced, but that the officers and soldiers know how to gain the support of the people. We believe the success of the U.S.-trained units justifies support of Salvadoran plans to organize and train a fourth quick reaction battalion.

We also trained 477 officer candidates at Fort Benning, Georgia. When these U.S.-trained officers are all integrated into units, they will double the officer corps. This will do much to alleviate the critical shortage of junior leaders and should improve command and control considerably.

The acquisition of transport vehicles and UH-1H helicopters from the United States has materially upgraded the mobility of the Salvadorans. We have also provided A-37 light attack aircraft, C-123 cargo transports, and O-2A forward air control aircraft. The A-37's have proven especially effective in dislodging guerrillas from their base camps and fortified positions.

The addition of secure communications equipment has allowed coordination of military activities without providing valuable information to the guerrillas. At the same time, improvements in tactical intelligence and especially its exploitation have contributed to Salvadoran successes.

The introduction of radar and military air traffic control procedures could aid Salvadoran efforts to interdict guerrilla air supply deliveries—which have been increasing.

We also provide mobile training teams where specific needs are identified but these teams leave as soon as their job is completed.

Our program in El Salvador is more extensive than U.S. military assistance programs elsewhere in Central America because the guerrilla war there poses such an immediate threat to El Salvador's survival as a free country. However, the defense needs of all Central American countries are generally similar.

We have increased our aid to Honduras in the face of the major buildup by neighboring Nicaragua and the continued violation of Honduran borders and territory by the Sandinistas.

Even Costa Rica is sufficiently concerned by terrorist activities and violation of its territory to ask for security assistance. Two million dollars in grant aid was approved in the FY-82 supplemental appropriations bill. We also see a need for security assistance to Guatemala where hopefully the positive trends achieved by the Rios Montt government will impress those who have conditioned security assistance on improvements in observance of human rights.

Unfortunately, one of the serious problems which impedes obtaining resources for Latin America involves our traditional paternalistic attitude toward the region. We tend to take Latin America for granted and give it attention only when a crisis forces us to focus on it. When we do deal with problems in Latin America, we apply a double standard—far more demanding of our Latin friends than, for instance, our friends in the Middle East and other parts of the world.

As certification hearings have demonstrated, some Congressmen have demanded perfection of Latin America when they reviewed the progress made in human rights, control of violence, and political and economic reforms—some of which we would have difficulty implementing in this country. Other Congressmen have expressed a genuine understanding of the nature of regional problems and what constitutes reasonable expectations. One congressional leader recently reminded the critics of our policy toward El Salvador that although the Government of El Salvador may not be perfect, it is certainly better than having a Marxist government there. I do not want to imply that we do not consider human rights and reform important. I only want to point out that if we are sincerely concerned about human rights, reform, and control of violence, then we should be worried about the possibility of El Salvador or any other country in Central America under a Communist government.

When Marxist guerrillas succeed, they do not improve civil rights, they eliminate them. Nor do they improve the economic situation. Cuba had one of the highest per capita incomes in Latin America before Castro. According to the World Bank, Cuba's per capita annual growth rate averaged a negative 1.2 percent between 1960 and 1978. Cuban economic performance ranked in the lowest 5 percent worldwide and was the worst of all socialist countries. After 20 years under Castro, rationing still exists in Cuba.

Communist revolutions do achieve political reform as did Castro's. Unfortunately, the Cuban Revolution only replaced one dictator with another. No amount of rhetoric or charisma can hide the realities of the Cuban Revolution. It resulted in an exodus of over 800,000 refugees—roughly 10 percent of Cuba's population—and the execution in the 1960's of at least 7,000 people, most without trial.

If the growing Soviet/Cuban/Nicaraguan threat continues unchecked, we should be prepared for additional waves of refugees. It would be virtually impossible to prevent such massive emigrations and to deal effectively with refugee problems. Both human and monetary costs would be high.

The Caribbean Basin has been a relatively cost-free zone, but the United States will have to devote more resources to this area. The Department of Defense is fully committed to steady real growth in security assistance funding because we believe the program is one of our most cost-effective and indispensable instruments for protecting our national security interests. As I mentioned earlier, only 2 percent of U.S. funding for security assistance worldwide is devoted to Latin America. Since defense spending amounts to only about 28 percent of total Federal spending—compared to over 40 percent a decade ago—we believe that we *can* and *must* afford the cost when our security interests are at stake.

It is obvious that the Soviets and Cubans are attempting to spread the malaise of Marxism to other countries—especially in Latin America. They would impose dictatorships, economic decline, and human suffering on the people. We support a different alternative—stability, democracy, economic growth, and respect for the individual.

Thank you, very much.

Document 602

Address by the Secretary of State (Shultz) Before the Council of the Americas, June 1, 1983 [2]

U.S.-Latin American Relations

On April 27, President Reagan took the unusual step of addressing a joint session of the Congress to call for a bipartisan approach to sustain the independence and freedom of the countries of Central America.[3] Since last August, economic leaders—public and private, North and South—have been working hard to resolve liquidity problems from Mexico to South America in ways that will preserve the capital flows essential to future growth. And last year at this time, the Republic of Argentina and the United Kingdom were locked in an unexpected war we had sought to prevent.

In sum, whether the issues are local self-determination, international finance, or conflict among nations, Latin America has moved to center stage on the already crowded global arena.

Few people are more aware of this phenomenon than those of you gathered here today. The Council of the Americas and its members have extensive experience throughout Latin America. That means you also have important contributions to make to the policy debates now underway in this country. So I would like to give you a brief overview of where our relations stand today, and how we will be approaching them in the months to come.

I.

U.S. relations with Latin America and the Caribbean are being debated more vigorously now than at any time since the rise of Castro and the early days of the Alliance for Progress almost a quarter century ago. Yet the debate, as I hear it, often seems to be cast in terms—I might even say in stereotypes—that are much the same as those of 25 years ago.

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[2] Source: Department of State files. Secretary Shultz made this speech in Washington.

[3] See document 623.

Images of Latin American underdevelopment, of dictatorship, and of U.S. "interference" have shaped a lot of debate in the past. And they seem to have survived virtually intact. But do they capture what is going on? Let me take a moment to explore whether they do.

Take "underdevelopment." Until the global recession struck them hard last year, Latin America's economies had grown in real terms at an average annual rate of 6 percent for 20 years. It is true that population also grew rapidly. In 1950 the total population of Latin America was less than that of the United States; today it is 60 percent larger. Even so, social conditions improved. Between 1960 and 1980, infant mortality fell from 82 to under 50 per thousand, and life expectancy increased from 56 to 64 years. Most Latin Americans now live in urban areas. Argentina ranks third in the world after the United States and Canada in the percentage of its population which has at least some college education.

Production of manufactured goods in Brazil, Mexico, Argentina, and Colombia has expanded at a remarkable rate. Some Latin American manufacturers are becoming serious international competitors, even here in our own market. At the same time, U.S. sales to Latin America have been larger than to Japan, and about the same as to the European Community.

True, some of this progress is fragile. The debt crisis has led to harsh retrenchment, and more difficult adjustments are likely. But "underdevelopment" describes the real issues less and less. Even the vulnerability to Communist intervention in Central America stems less from stagnation than from economic growth and social change that generated expectations and tensions that were not met or resolved.

Let's now take "dictatorship." As development has taken place, national and local institutions and the workings of the market place have necessarily become more complex. Educated groups whose livelihood does not depend directly on agriculture are making new demands on governments and social institutions. Traditional authorities—which the stereotypes identify as the landed aristocracy, church, military—can no longer manage the new complexities alone. And they have themselves shared, even sometimes led, the process of change.

One result is that Latin America's long experience with authoritarian rule is gradually ending. The five Andean countries all enjoy constitutional democratic rule today—a circumstance that has only one brief precedent in history. In fact, 20 of 30 members of the OAS are constitutional democracies—and some of the others, including Argentina, Brazil, and Uruguay, are moving toward democratic systems. Some of those that are not—Nicaragua is the most worrisome example—are new dictatorships of the radical left.

In fact, it has been the self-proclaimed "Model" of change—Cuba—that has been economically and politically stagnant. But its Soviet ties have led to significant expansion in one area: military growth and the capacity to project Communist power in Africa and in this hemisphere. Gone is the amateurism of the Guevara days. Cuba's subversion is professional and thorough. Using every tool from arms to xenophobia, Cuba is exploiting and stimulating political instability and the tensions of growth.

The fact is that today in Latin America, dictatorship is an imposition from both left and right on societies that are in the process of doing better. Democracy still faces enormous obstacles, but it is no longer just an aspiration.

Finally, let me make two observations about U.S. "interference." The first is that although our influence in Latin America is clearly very important, it has declined in both absolute and relative terms. Latin America's exports to the United States are now less than 30 percent of its total, compared to over 55 percent 25 years ago. Japan's trade in Latin America is 17 times what it was in 1960. In arms transfers, the United States is now only the fourth or fifth largest supplier of weapons, while Brazil has become a major world exporter and Argentina is not far behind. The number of U.S. military assistance personnel in all of Latin America has fallen from about 750 in 1970 to fewer than 200 today.

My second observation is that our support remains critical to advance an entire range of objectives that our neighbors share with us, from security to development to democracy. The real issue is the nature, not the fact, of our involvement and support.

I believe that both you in the business community and we in the government have been aware of these facts. But we have not done as good a job as we should of transmitting them to the American people and Congress.

II.

That the health of the U.S. economy is vital to Latin America's development prospects has long been accepted. What is new is that today the well-being of our neighbors also affects us in turn. This past year has demonstrated that Latin America's economic achievements are vulnerable to the fluctuations of the international economy. For example, our exports to Mexico declined in 1982 by about 37 percent. We estimate that this loss in sales has cost us some 250,000 jobs here in the United States. It has been reported that the nine largest U.S. banks have, on average, an exposure in Latin America equal to more than 100 percent of their equity.

Last summer, Mexico was struck by a severe liquidity crisis brought on by a combination of internal policies with declining oil revenue, high interest rates and a major recession in the United States, Mexico's most important market.

In Brazil, a similar liquidity problem developed for slightly different reasons. Brazil relies heavily on imported oil. When the price rose sharply in 1973–74 and 1979–80, Brazil chose to rely on borrowing to continue its pattern of growth. This strategy made sense when it was adopted, but it was undermined by the worldwide recession, high interest rates, and a sudden decline in availability of credit.

Nor are these cases unique. From Central America to the Andes, to the Southern Cone, other countries face similar problems requiring international cooperation and mutual adjustments.

We and other concerned nations, in cooperation with the IMF and the commercial banks, responded to help overcome the immediate crisis. Mexico, Brazil, Argentina, and others have developed programs with the IMF that promise to enable them to resume noninflationary growth, provided they make the necessary adjustments.

But Latin America will continue to need the support of the international financial and economic community. A high priority must be to encourage conditions that will help Latin America and the Caribbean return to strong, sustained economic growth. A major contribution, on our part, can be right here at home: a robust economic recovery and low interest rates. The long-term creditworthiness of most Latin American countries is not open to doubt. Their gross savings, we should remember, now average about 22 percent of gross national product, a rate among the highest in the world.

The United States has proved itself the most open and least restricted market for Latin America among the industrialized nations. We intend to keep it that way. And that means that all of us—we in the Government and you in such private organizations as the Council—will have to do a better job of helping the American people understand that protectionism only protects in the short run.

The trade components of the Caribbean Basin Initiative, for example, are predicated on the idea that opening our market—and assuring potential investors that it will stay open for 12 years—is the most powerful stimulus we could offer to the economies of our Caribbean and Central American neighbors. It was undertaken in close cooperation with them and with Canada, Colombia, Mexico, and Venezuela as contributing partners. It fulfills a long-felt requirement for economic development—underscored repeatedly to us over the years by many Latin Americans: trade, not aid.

Yet trade alone is not enough; economic assistance is critical to help countries combat poverty—and in some cases to resist the economic warfare of guerrillas. Against prevailing headwinds, we have doubled our bilateral economic assistance to Latin America and the Caribbean, from $440 million in FY 1980 to $884 million in FY 1983. We are now considering special emergency assistance for the Andean countries of Ecuador, Peru, and Bolivia. Quite aside from the troubles of global recession, these countries face a heavy additional burden from the severe disruption of normal rainfall patterns, disruptions causing both floods and droughts with disastrous consequences for social conditions as well as food production.

III.

Hemispheric security relationships—or their absence—are as important as eco-

nomics. We have a particular stake in stable and balanced relations among the countries of this hemisphere. The lesson of the Falklands/Malvinas war is that peace can never be taken for granted. The lesson of the Central American experience is that we must help our neighbors shield themselves from the irretrievable damage of violence and totalitarianism.

As the President has repeatedly emphasized, security assistance is an essential shield for democratization, economic development, and diplomacy. Central America faces a massive crisis in which Communist military intervention, much of it covert, is spreading violence and destruction that threaten to impose totalitarian minorities organically linked to the Soviet Union. Our national interests and the interests of the hemisphere's majorities are that this aggression be checked.

A security shield makes it possible for us to support dialog and negotiations—both among the countries of the region and within each country. With such a shield, we can achieve a political solution in Central America that will serve both the democratic process and our own security.

Let me repeat what the President told the Joint Session of Congress:

"The United States will support any agreement among Central American countries for the withdrawal—under fully verifiable and reciprocal conditions—of all foreign military and security advisers and troops.

"We want to help opposition groups join the political process in all countries and compete by ballots instead of bullets.

"We will support any verifiable reciprocal agreement among Central American countries on the renunciation of support for insurgencies on neighbors' territory.

"And finally, we desire to help Central America and its costly arms race and will support any verifiable reciprocal agreement on the nonimportation of offensive weapons."

Today the "Contadora group"—Colombia, Mexico, Panama, and Venezuela—is actively engaged in the search for peace with the countries in Central America. We have welcomed this development. Our interests cannot be separated from those of our democratic neighbors.

IV.

Economic recovery and improved security conditions, however, are only elements of a strategy with a greater goal. In the Americas man is viewed as far more than just a cog in an economic machine. Human values—individual self-respect and freedom, kinship ties, religious conviction—weigh far too heavily in our aspirations to be ignored in our respective national goals. They must be taken into account in our relations and our foreign policy.

It is for these reasons that our purpose is to support democracy and freedom as offering the citizens of our hemisphere the best opportunity for both stability and individual freedom. That is why we must assist countries threatened by those who would impose a rigid totalitarian discipline and that is why we must at the same time be patient with those countries seeking to work their way to freedom.

It may be, as a recent report argues, that democracy cannot be exported—but only if by that is meant the wholesale copying of any particular set of practices. In this administration, we believe it is not only possible but necessary to cooperate actively to strengthen the institutions of freedom. Nonintervention does not require passivity.

The movement toward democracy now underway throughout the hemisphere could be held up by prolonged economic crisis or by civil conflict. But it is irreversible in the long run. Let us not forget that democracy took root and emerged out of civil conflict—in Venezuela, Colombia, the Dominican Republic. It is to these examples that we look in supporting elections and other democratic institutions as the way to reconciliation, economic recovery and peace among neighbors in Central America.

V.

In conclusion, let me say that I think we are all aware that public policies alone are not enough. This is not a time for the private sector to be timid. Bankers and businessmen should not impose unrealistic credit requirements or seek protection behind new trade barriers. Even more importantly, you of the Council of the Amer-

icas owe your existence as an organization to the recognition that you should reach beyond immediate operational requirements to broader issues such as those I have been discussing today.

Let me close with a few words about two men whose service to their country has earned each of them the deepest gratitude of their President and Secretary of State, and should command the respect of every American.

Ambassadors Deane Hinton and Tom Enders have served magnificently and with great professionalism in two of the most difficult, often frustrating, always challenging positions in American diplomacy.[4] Positions, I should add, that neither sought. In the best traditions of the Foreign Service, they have gone where needed and given their very best.

Deane Hinton has played a central role in formulating and carrying out our basic policy objectives in Central America for more than 2 years now. In San Salvador, he has been literally on the front lines of our country's efforts to be loyal to and supportive of our friends and true to our peaceful, democratic principles. Deane's personal commitment to the nurturing of democratic institutions in El Salvador has been more than matched by his personal and intellectual courage.

Tom Enders' job, Assistant Secretary for the American Republics, is as tough as any in this Department. Yet that did not inhibit Tom from giving the task all the courageous leadership and bold initiative it demands. He has done the job as well as anyone in memory. A tough, fair-minded professional of Tom Enders' exceptional quality will be called on by Presidents and Secretaries again and again. I know Tom will bring to his new assignment the same personal and intellectual gifts and the same deep commitment to fundamental American values that have served us so well over these past 2 years.

Deane Hinton and Tom Enders are the best the Foreign Service produces, and have earned the utmost admiration and gratitude of their colleagues. They have served their country with courage and wisdom; we are all in their debt.

[4] Enders was subsequently named Ambassador to Spain, and Hinton was named Ambassador to Pakistan. Langhorne A. Motley, who was then serving as Ambassador to Brazil, succeeded Enders as Assistant Secretary of State for Inter-American Affairs. Hinton was succeeded by Thomas R. Pickering, who was then serving as Ambassador to Nigeria.

Document 603

Prepared Statement By the Assistant Secretary of State for Inter-American Affairs (Motley) Before Two Subcommittees of the House Foreign Affairs Committee, July 21, 1983 [5]

"We Cannot View Latin America's Economic Development in Isolation From Our Own"

Thank you, Mr. Chairman, for the opportunity to address these two subcommittees on Latin America's economic crisis. I look forward to developing a close and candid relationship with the members of these two subcommittees and other concerned members of Congress during my tenure as Assistant Secretary of State for Inter-American Affairs.

In my testimony this afternoon I will focus my remarks not only on our assessment of the economic situation in Latin America but also on the efforts that the United States Government is undertaking to help deal with it. I believe that it is appropriate that my first appearance before Congress following my confirmation will offer me the opportunity to discuss this vital subject. Because I have just returned from serving as Ambassador to Brazil for 21 months, I will draw on that country's particular problems and opportunities to illustrate my remarks.

I would like to begin by looking briefly at some of the external shocks to which the economies of Latin America have been subjected, almost simultaneously, during recent years. Each of these shocks would have been difficult enough alone, but to-

[5] Source: *Latin America in the World Economy: Hearings Before the Subcommittees on International Economic Policy and Trade and on Western Hemisphere Affairs of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress First Session* (Washington, 1983), pp. 219–233.

gether their impact has been devastating. The sharp petroleum price increases of 1973–1974, and 1978–1979, were the major culprit in producing a dramatic change in the terms-of-trade and the balance-of-payments outlook for most developing countries. We have also seen a sharp drop in commodity prices other than oil, such as sugar, coffee, bauxite, copper, etc., which occurred during the recent world economic slowdown. This drop has drastically reduced the export earnings of virtually all our neighbors to the south. The economic slowdown also curtailed demand for Latin America's limited but important exports of manufactured products. Brazil was particularly adversely affected in this regard, as it is well along in pursuing its export diversification strategy. Brazil's exports of industrialized products fell by 18 percent in value terms between 1981 and 1982. I note, however, that Brazil's exports to the United States rose by about 5 percent between these two years. I believe that this demonstrates that, even during an economic slowdown, our large and diversified market remains relatively open to imports. The economic slowdown also increased protectionist pressures in the developed countries and eroded their political will to contribute financial and developmental assistance to the degree needed in the developing countries. Finally, the uncommonly high real interest rates of the past 4 years undid the financial planning of many countries.

Nonetheless, Mr. Chairman, I believe that it is necessary that we avoid the pitfall of blaming all of the problems facing Latin America and other developing countries on factors beyond their direct control. Economic growth and development in the countries of the developing world rests primarily on the policies adopted, and the decisions made, by each country itself. Certain countries that got an early start on the adjustment process generally have fared better than those who delayed the beginning of their adjustment. The recognition of inappropriate policies is the first step in any country's efforts to correct them.

During the last decade, for example, we witnessed the phenomenon of persistently over-valued exchange rates in many Latin American countries. In the case of petroleum exporters, or other exporters of temporarily booming commodities, these over-valued exchange rates appeared to be affordable. However, over-valued currencies insured continued over-dependence on exports of primary products, stagnant industrial exports, and artificially cheap imports. In other countries, resistance to exchange rate adjustment was a combination of national pride, wishful thinking, and fear of inflationary results. While a major problem was the maintenance of a rigid exchange rate, various countries also adopted some variation of Brazil's "crawling peg" system of frequent mini-devaluations. Until recently, however, there were few cases where crawling peg-type currency adjustments were frequent enough or large enough to avoid an over-valued exchange rate. Part of the problem in Brazil was that adjustments in the exchange rate did not keep pace with the country's rate of inflation. In addition, however, Brazil did not fully counteract the successive devaluations of European countries, which helped cause its exports to become less competitive in third markets.

There are many examples where the persistence of over-valued exchange rates perpetuates and exacerbates distortions in the economies of our Latin neighbors. On the other hand, Mexico's and Brazil's recent adoption of more realistic rates is already beginning to have beneficial effects.

A second major area of internal problems has been the large and rapidly expanding public sector deficits in many countries of the region. These deficits arose from many factors—a reluctance to levy adequate taxes, proliferating government enterprises, and subsidies. In Brazil, spending by the public sector in 1982 rose to about 42 percent of that country's gross domestic product, while the public sector deficit rose to $54 billion, almost 17 percent of GDP. The public sector deficit here in the United States was only about one-third the level recorded in Brazil. Brazil, Argentina, and Mexico are three of this hemisphere's most poignant examples of the rapid increase in state enterprises. Part of this growth was caused by the unwillingness of these countries to accept foreign direct investment in what they considered strategic sectors. Whatever the cause, however, the end result was the same. In these and other countries, the revenues of such enterprises have been dwarfed by spending levels which rivaled in magnitude central government spending. In Brazil, for example, the deficits of state enterprises account for

nearly 40 percent of the public sector deficit. These burgeoning public sector deficits have fueled inflation and forced higher government borrowing. Deficits have also caused increasing debt service burdens. In many countries including Brazil, deficits have soaked up much available local credit that otherwise would have been available for higher priority projects.

Government subsidies and price controls as well as over-valued exchange rates, are generally justified as protection for the poor and marginal segments of society. Rather, experience in many Latin American countries has shown that such policies contribute to economic stagnation or depression which falls most onerously on the poor. Agricultural price controls have stifled production, often resulting in higher import bills, and have limited employment opportunities and income of small farmers and peasants. Interest rate limits and credit controls have encouraged local banks to lend only to the largest and most creditworthy customers. One result has been an inefficient allocation of capital in both the industrial and agricultural sectors. Over-valued exchange rates have limited the earnings of the predominantly rural exporters of traditional products, and have subsidized the consumption of artificially cheap imports by urban middle and upper classes. This problem has been particularly apparent in countries that followed the import substitution-based strategy of economic development. Countries like Brazil that made an early commitment to diversifying agricultural as well as industrial exports came off better in this regard.

I would now like to turn briefly to the prospects for the future. There are some areas where improvement is likely, but others, frankly, where significant improvement is not in sight.

On the negative side, the medium to long-term price trends for the traditional export products are not encouraging. Bananas, coffee, and sugar face a persistent pattern of production outstripping consumption. Metal exports such as copper, tin, and bauxite rebound nicely during economic recoveries, but they will continue to be subject to periodic sharp declines in periods of slow industrial world growth. In short, Mr. Chairman, there is little likelihood that export of commodities and other traditional products will be any more reliable as a stable source of development finance in Latin America and in other countries exporting these products in the future than they have been in the past.

Another problem that will remain in the region is its high debt burden. The nations of Latin America owe more than $300 billion to external creditors, with Brazil and Mexico each having an external debt in the $80 to $90 billion range. Though Brazil's financial situation is especially complicated and difficult, we appear to be in a period when the region's debt problems are not as stark and fraught with danger as was the case during the second half of 1982. The recent list of successful debt reschedulings, combined with broadening economic recovery and a general decline in international interest rate levels from their 1981–1982 peak, should make it somewhat easier for most Latin American countries to meet their external debt obligations during the next few years. Debt service, nonetheless, will continue to be a significant drain on their resources. To discharge their debt service while continuing to promote economic growth, Latin American countries will require increased capital inflows from export earnings, foreign investment, other private capital flows, and official financial assistance.

The social problems facing the hemisphere will also continue to be a central issue as countries pursue appropriate adjustment policies. We continue to see the pursuit of such policies, cushioned by support from the International Monetary Fund, Multilateral Development Banks, and the governments of industrialized countries, as the preferred alternative to the abrupt and disorderly adjustment that would otherwise be forced on such countries. In some cases social problems arising from the pursuit of adjustment policies will strain the region's social and political fabric. This will be true in Brazil, where the "abertura" process, which we have warmly applauded, is leading toward presidential elections in early 1985. I must admit, Mr. Chairman, that, despite my close familiarity with the Brazilian situation, I have no easy answers to the very real dilemma posed in the short-term by attempting to balance needed adjustment policies with the need to prevent further declines in living standards.

I don't want to sound like a complete pessimist, however. There are several encouraging trends on the horizon. Despite

the extreme difficulty of implementing austerity measures during a recession, we have seen many countries in the region cooperate with the IMF to devise appropriate and achievable economic adjustment plans. Such plans, aimed at restoring equilibrium to external accounts and encouraging private sector and export-led development, deserve our support. I believe that this is especially true in Brazil, which is entering its third year of recession and where the living standards of the vast majority of the population are being squeezed. In contrast to the situation that prevailed a decade or two ago, the consensus among most economic policy makers in Latin America today is that solid and sustained economic development requires a major role for the private sector (including foreign investors) and that it requires the development of efficient firms which can compete in the international marketplace. Another idea gaining widespread acceptance is that the unchecked expansion of the public sector is a danger both to financial stability and to the efficient development of the economy. Many governments are adopting policies reflecting these views. This new trend in economic policy may prove to be the most significant economic trend currently underway in the region.

I am also encouraged by the way in which governments in and outside of the region, international financial institutions, and the international banking community have worked together to maintain a workable international financial system. Such cooperation is all the more laudable in the face of the debt crisis and other strains in the past year. I think that we can genuinely say that the system has worked remarkably well up to this point. Future efforts should be devoted to a strengthening of the framework of the current system rather than its replacement by a new and untested one.

One of the most welcome encouraging trends in Latin America is an increasing emphasis on democracy, even during such a time of extreme economic hardship. The movement toward democracy that we have witnessed during recent years in such places as Peru, Ecuador, Bolivia, Honduras, El Salvador, and Brazil is truly extraordinary. Equally impressive is the fact that some freely-elected governments such as Costa Rica, the Dominican Republic, Jamaica, and others have been able to devise comprehensive adjustment programs for reacting to their severe economic problems.

Perhaps of most relevance to those of us here, Mr. Chairman, is the question of what the U.S. Government should be doing to encourage the positive trends and reverse the negative trends facing the countries in the hemisphere.

The President's Caribbean Basin Initiative is the centerpiece of our efforts to help the beleaguered and vulnerable countries of the Caribbean and Central America. These proposals are based on the recognition that the economic development of the Caribbean Basin countries requires greater integration of their small economies into the U.S. and world economies. I am greatly encouraged by the favorable action recently taken by the House and earlier by the Senate on the Caribbean Basin Economic Recovery Act. I believe that the enactment into law of the trade incentives and the convention tax credit will prove to be significant stimulus to countries of the region. We will move vigorously to implement this legislation following its enactment. Moreover, we believe that the economic and social development of the Caribbean Basin should be a collective effort by the international community. We will therefore continue our efforts to encourage other governments and appropriate international organizations to expand their assistance efforts in the region. I am especially pleased to note that three of our Latin American neighbors, Venezuela, Mexico, and Colombia, have joined with us and Canada in providing assistance to many of the needy countries in the region.

Throughout our history, the government and people of the United States have responded positively when natural disasters have struck. Beginning late last year, a quirk of nature known as the "El Niño" weather phenomenon has had a devastating impact on the peoples and governments of Peru, Ecuador, and Bolivia. More recently heavy rains and flooding linked to El Niño have caused widespread damage in Paraguay, Brazil, and Argentina. The U.S. Government has been responsive to requests for humanitarian assistance to meet emergency needs. In the Andean countries we are concerned that these natural disasters, which compound serious economic problems, will have a negative impact on the efforts of Ecuador, Peru, and Bolivia to consolidate and

strengthen their still somewhat fragile democratic systems of government. Our assistance efforts thus far have included $6.75 million in direct disaster relief, a $5 million USAID reconstruction loan for Peru, and the allocation of an additional $52.3 million in food aid to Bolivia and Peru. We have also supported requests for reconstruction loans from the Multilateral Development Banks in excess of $100 million by these governments. We are currently exploring ways in which we might provide additional resources from our limited foreign economic assistance budget. We will keep the Congress fully informed on this matter.

In the broader context, we must continue our contributions, both bilaterally and multilaterally, to the economic and social development of the Latin American region. Individual country needs vary, but modernization of agriculture and infrastructure, and improvement of health and education systems, are general imperatives throughout the region. I would like to make a special appeal for greater attention to the need for U.S.-sponsored training and education, both technical and academic. Nothing pays greater long-term dividends than to provide the present and future leaders of Latin America, whether of government, business, or the professions, first-hand familiarity with our values, our expertise, and our approach to problem-solving.

While economic and technical assistance will play a part in helping deal with the region's problems, we must realize that trade, not aid, is the surest road to economic growth. Let me again cite the progress that Brazil has made in producing and exporting a wide variety of sophisticated products. Brazil, I must admit, possesses extensive natural resources and other advantages not found in many other countries. Nonetheless, I believe that there are various elements of the Brazilian experience that can usefully be applied to other countries of the region. For example, Brazil's response to the 1973–1974 oil shock was a massive investment in both alternate energy sources and an increase in oil and gas exploration within Brazil. The Government of Brazil has also encouraged the use of fuel-efficient vehicles and provided other incentives to foster energy conservation. Brazil's state oil company has since extended its exploration activities to other countries and has provided technical assistance to the oil companies in some of its neighbors.

Assuring that the U.S. market remains open to countries seeking export-led economic growth will be one of the most difficult challenges of the 1980's. Our efforts in this regard are made more difficult by the tendency of some of our trading partners, in Latin America and elsewhere, to use subsidies and other trade-distorting practices to provide an artificial boost to exports. Maintenance of realistic exchange rate policies, support for private investment, and a reduction in often-stifling government regulation are all elements of an export promotion policy that increases the likelihood of sustained development.

I would also like to add that expansion of trade among developing countries will be an important element in promoting sustained growth within these nations. The sharp drop off in intra-Latin American trade between 1981 and 1982 undoubtedly was an important factor in worsening the region's economic slowdown. Given the limits on the expansion of Latin America's exports to the United States and other industrialized countries, the countries of the hemisphere, with Brazil in the lead, are making additional efforts to penetrate nontraditional markets.

Protectionist measures are always strong during times of domestic economic hardship, but we must remind ourselves that dollars spent on our imports from Latin America return to the United States in payment for our exports. For every U.S. job threatened by imports there is another job, or more than one job, that depends on our exports and on the ability of other countries to pay for those imports.

Our concerted participation in efforts to strengthen the international financial system should go hand in hand with our efforts to bring about an expansion of world trade. We must continue to support efforts by the IMF and other international institutions to help countries with serious financial problems. I think that it is also important that we encourage U.S. private financial institutions to maintain their prudent involvement in Latin America. As a government we must be prepared to make available short-term emergency financial assistance in appropriate cases. At home we must continue policies to ensure the solid and sustained recovery of our own economy. Latin America's economic future is so dependent on developments in the United States and other industrialized na-

tions that we cannot view that region's economic development in isolation from our own.

Thank you very much.

Document 604

Statement by the Assistant Secretary of the Treasury for International Affairs (Leland) Before Two Subcommittees of the House Foreign Affairs Committee, July 21, 1983 [6]

"The IMF Is Really at the Heart of Our Whole Strategy"

Thank you, Mr. Chairman. [7]

It is nice to be back before this committee. I am not new, so I probably look a little more fatigued than the other two, although I think Ambassador Motley has been through a lot in the past 2 years as well.

I will restrict my comments to 5 minutes to maximize the time for the questioning that I am sure the committee has.

The history of where we are has been referred to by the previous speakers, how we had periods of high inflation and heavy borrowing, how the fact that even without a debt crisis many of these countries still would have severe problems, developing countries that would normally have problems that Mr. McPherson referred to. [8]

We do, of course, have a situation whereby you were talking about debt of developing countries, about $600 billion in 1982 whereas in 1973 you were talking about a number somewhere near one-fifth of that. That is a big burden.

The problem, I note, is not limited just to the Latin American region. It is probably greater there than in any other region. The fact is that available financing is a problem that exists throughout the world because the borrowing primarily came from recycling of the oil price increases.

The $200 billion of that $600 billion is owed by Mexico, Argentina, and Brazil alone. You can add another $65 or $70 billion by other non-OPEC nations in Latin America and another $40 billion by the OPEC nations in Latin America.

Now, I think handling the problem is by no means easy. I think in testifying before this committee previously and several other committees we have laid out the strategy we have, which has been referred to by earlier speakers, which basically is adjustment by the debtor countries.

The other elements of the strategy include IMF assistance in support of adjustment programs, emergency official assistance which is included in the aid we are talking about, for example bridge financing in the case of Brazil and Mexico, continued commercial bank lending, and sustained world economic growth with open markets.

Since most of these have been referred to earlier and you are familiar with them, I want to take some time on the IMF aspect because it is on our mind. I sometimes think the fact that we do not, as the Chairman noted at the beginning, seem to have the unanimous support for the IMF that I would otherwise hope for or expect, is a matter of insufficient explanation of what we are after. [9] Otherwise, I don't quite understand why we don't get fairly unanimous support for this.

The IMF is really at the center of our whole strategy. Without it you have a debt problem with no solution to it. The IMF has been central to everything that has been going on, particularly going on since IMF was created.

You have had a lot of problems, you have had times when people said Indonesia could never make it. There were times when people said Turkey could not make it.

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[6] Source: *Latin America in the World Economy*, pp. 245–247; for Leland's prepared statement, see *ibid.*, pp. 248–261.

[7] Michael D. Barnes, Chairman of the Subcommittee on Western Hemisphere Affairs.

[8] For McPherson's testimony see *Latin America in the World Economy*, pp. 191–195.

[9] For Barnes' opening remarks, and those of Don Bonker, Chairman of the Subcommittee on International Economic Policy and Trade, see *ibid.*, pp. 187–191.

Beginning last August we had a situation where you said Mexico could never do it, or Brazil, and in each case the IMF has been central to solving the problem.

When you look at our five-point program [10] the IMF is the central point to working with the countries to develop an adjustment program. Central to all this is adjustment. There has been an extensive amount of borrowing, an extensive amount of budget deficits that were unsustainable, and now the countries have to adjust.

In many cases for political reasons they can't do it basically on their own. They need to work together with the IMF. That is what is happening in the region we are talking about.

Mexico has embarked on a $3.9 billion program with IMF. Brazil has embarked on a $4.5 billion program. It is still having a certain amount of difficulty. In the last few days things are looking much better.

The Brazilians are seriously working toward the necessary adjustment. Argentina, Chile, Costa Rica, the Dominican Republic, Uruguay, Ecuador, and Panama have all initiated IMF-supported adjustment programs in the last 6 months.

The IMF has been absolutely key because it is the IMF that first goes in and provides funding. It is because of that funding that the countries are able to make some sort of adjustment program and it is because of that that you are able to have the continued commercial bank lending.

Obviously in most of these cases you are talking about a situation in the 1980's that didn't exist in the 1960's or even the early seventies. In that period these countries relied basically on government financing. Now they have relied basically on commercial bank financing.

The commercial banks I think can and will remain as lenders to these countries. Running current account deficits, I have to note here because I think it does get forgotten, is something that is not new in history. The United States ran them for, I think 45 of the 60 years between 1800 and 1860 and 30 of the 40 years between 1860 and 1900.

Japan and Germany after the war ran substantial current account deficits. Japan did not get into a surplus until the 1960's. I think for a developing country while it is building up its economy, it is not an unusual thing.

The main point is, however, if they are not following the correct economic policies, then the banks or whatever funding source they have, tend to pull back. It is very important for us that these funding sources remain there. For that the IMF itself is key.

The IMF alone, without the world growth and open trading system the previous speakers have spoken about, won't solve the problem. I do think the statistics that came out today show the level of our own recovery is quite buoyant.

I just came back from Europe and Japan. Although I think they are not as optimistic as they might be, they do see hopes for recovery. But in this transition period we have to keep our purchasers, the countries that have been buying our product, and look to where the trade is coming from.

We have to keep them alive in this interim period until recovery comes. For that the IMF itself is the key element because it does develop the adjustment programs and through that we feel that the debt situation itself will remain manageable. We will have problems with it.

Obviously the level of debt is larger than anyone would have liked it to be; but I think with adjustment of the problems the countries will come back to being the major buyers they were before and get back to the former growth rate they were used to having in the seventies.

Thank you.

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[10] See document 63.

Document 605

Agreement Adopted by the Organization of American States Special Specialized Conference on External Financing, Caracas, Undated [11]

Bases For Understanding

1. The present crisis is undoubtedly the worst in 50 years. The economic effects of the crisis on the industrialized countries are not the same as those experienced by the developing countries, with their lower levels of income and capital accumulation, and high population growth.

Over the past three years, per capita income in Latin America and the Caribbean has fallen by five percent, resulting in widespread poverty. In 1982, the savings coefficient shrank by three percent, exports and imports fell by 6 and 19 percent, respectively, and between 1980 and 1982, the region's terms of trade dropped a damaging 40 percent. The current account on the balance of payments registered an accumulated deficit over the last four years of US $119 billion. At the same time, net capital accumulation fell and net payments of profits and interest rose to US $34 billion in 1982, which represents approximately 40 percent of the value of merchandise exports.

The net loss of international reserves by Latin American and Caribbean countries has been estimated for 1982 at U.S. $14 billion, which is an economically depressing factor. It is causing a reduction in economic activity, real incomes and employment throughout the region, as well as increasing inflationary pressures, all of which have inevitable social and political impact.

The external debt at the end of 1982 stood at more than US $300 billion, greater than triple the value of Latin American and Caribbean exports. Clearly, the unfavorable turn that the world economy has taken makes it necessary to reassess the overall payment capacity of the Latin American economies, which at present limits their development prospects.

2. Internal factors in countries of Latin America and the Caribbean have played an important role in bringing about the present crisis; however it is recognized to be mainly the result of external factors. The increasing deterioration of terms of trade, growing protectionism, high real interest rates—a result *inter alia* of significant fiscal deficits in the industrialized countries, including the United States—and the sudden reduction of financial flows and public and private investment are factors beyond the control of the countries of the region and make more difficult the internal efforts and measures that have been taken, especially over the last 12 months.

3. Faced with the crisis, the Latin American and Caribbean countries are making extraordinary readjustment efforts within their economies and are taking steps to comply with their international commitments, in spite of the high social, political and economic costs involved. At the same time, anti-inflationary policies of the industrialized countries to correct their economic problems have aggravated considerably the problems confronting the Latin American and Caribbean countries.

The efforts to make adjustments must necessarily be equitable and coordinated for all who are involved in the economic phenomenon that has brought about the current situation, namely, creditor and debtor countries, multilateral financial institutions and international private banks.

4. The crisis is structural and worldwide; any attempts at resolution will need to take this into account, as well as the various specific factors that brought it about and their interrelation.

In the context of the crisis, the problems of external financing; particularly those of the external debt, financing of commerce and international trade, are of high priority. The way in which they may be resolved will depend, to a large degree, on the validity of the options that would make it possible to overcome the grave economic and social problems affecting the Latin American and Caribbean countries and maintain a rhythm of develop-

[11] Source: Report of the Special Specialized Conference on External Financing, OAS document OEA/Ser.H/X.41, CIES/3811, September 15, 1983, pp. 7–9. A note on the source text indicates that the agreement was published during the conference as document CONFINAN/17, rev. 3. The conference took place in two stages: the first, at the level of government experts, met from September 5 to 7, 1983; and the second, at the ministerial level, was held from September 8 to 9, 1983.

ment which allows for a true level of progress, the only source of social and political stability.

5. An effort has been made by multilateral financial institutions, the International Monetary Fund in particular, to help the countries in their adjustment efforts. Also, the United States has taken extraordinary measures to help in emergency situations in some countries. Assistance, which was short-term in nature, has not been sufficient to obtain permanent solutions and, therefore, should be made adequate in order to satisfactorily contribute to a reversal of the present situation and any tendency for it to deepen.

6. The Latin American and Caribbean countries require that the internal adjustment process be gradual so that it take into account social and political conditions of each country. Thus, additional economic cooperation is needed, which will enable the region to raise the level of internal adjustment so as to prevent the destruction of an important part of installed productive capacity and maintain an adequate level of domestic economic activity, compatible with social and political stability and the requirements of development. The multilateral financial institutions should contribute to the solution of the present crisis, playing a more active role in the transfer of resources for the financing of development and trade. Such transfers should be equitable and nondiscriminatory. A joint effort between the United States, other creditor governments and debtor countries is to our mutual benefit, in order to create the conditions for sustained an orderly development in the Latin American and Caribbean countries.

7. The drastic reduction of Latin American and Caribbean imports has contributed to the recessionary process in the industrialized countries, the United States in particular. The rapid and sustained recovery of the level of Latin American and Caribbean imports will stimulate an expansive cycle of the world economy.

8. The recovery of the industrialized economies, especially that of the United States, is a necessary factor in solving the problems of Latin America and the Caribbean; for this reason the region looks hopefully at the positive signs emanating from those economies. However, it is not enough; the region also needs a reduction in fiscal deficits, a lowering of interest rates, increased capital flows, improvement in terms of trade, greater access to foreign markets, especially that of the United States (due to the importance of that market to the Latin American and Caribbean economies), as well as measures aimed at recovering and expanding intraregional trade. Solid and lasting recovery in the United States and the rest of the industrialized countries can only be achieved by confronting the problems of developing countries, Latin America and the Caribbean in particular, in such a way as to provide internal and external conditions for their development.

9. Within the context of the grave situation that has been presented here, the countries participating in this conference reaffirm the need and urgency to find permanent solutions to the problem of the external debt of the Latin American and Caribbean countries which is necessary to ensure the growth of international liquidity, consistent with the gradual process of adjustment; to improve operational procedures and review the principles of conditionality in the allocation of resources by the international financial organizations, and to avoid restrictions on access to capital markets. Such access should be under reasonable and equitable conditions. It is equally important to review international trade policies. All of this should be done with full participation of the developing countries in the decision making process.

10. Once again, Latin American and Caribbean countries express their willingness to strengthen a constructive dialogue with the United States. To this end they ratify the proposals they have made—agreed to in regional and interregional assemblies and presented subsequently in various international fora—for achieving an equitable distribution of the adjustment costs and to make possible, thereby, the adequate functioning of the international economic system, which would foster the economic and social development of the region, with special consideration given to the small states. For its part, the United States reaffirms its willingness to strengthen the dialogue with its neighbors in the hemisphere within the context of this document.

11. The Latin American and Caribbean countries consider that the present crisis should be faced realistically, rationally, and prudently, and they reaffirm their historic acceptance of their international commitments and their rejection of all

pressures that might affect their independence and sovereignty.

Document 606

Address by the Under Secretary of the Treasury for Monetary Affairs (Sprinkel) Before the Organization of American States Special Specialized Conference on External Financing, Caracas, September 9, 1983 [12]

"I Strongly Believe the Present and Future Prosperity of Our Peoples Are Inseparable"

I am very happy to be here to participate in the Ministerial portion of this Conference. First, I would like to thank President Herrera Campins and our Venezuelan hosts for their exceptional hospitality. Secondly, the careful preparation by the OAS Secretariat and the hard work and dedication of the participants during the past four days are also praiseworthy.

We are [here] in a spirit of genuine cooperation and shared concern for the economic and social welfare of the people of this hemisphere. I am particularly pleased that the discussions have been fruitful, while following a realistic and constructive path. I believe that the conference has been a success.

I also believe this is a significant achievement given the difficult and controversial issues we have addressed. We have established a genuine communication which we must have among members of our hemispheric family, with so many common interests, goals and economic relationships.

I strongly believe the present and future prosperity of our peoples are inseparable. It is in our own best interests that all of our neighbors prosper. This is a concept that hard-headed businessmen, skeptical legislators, and over-burdened taxpayers can all understand. The present crisis in Latin America and the sharp drop in trade has an immediate and perceptible effect on our economies. There is an obvious lesson: that the unit of analysis for the policymaker can no longer be limited to each nation's domestic economy.

A great deal of time of the Technical Meetings was spent on preparing the paper entitled, "Bases for Understanding," [13] and the resolutions for future studies, which have been submitted to this Ministerial Meeting. I believe a great step forward was made with the completion of these documents. It is evident that where we have the will, we can work together to come to agreements on problems and solutions.

While confirming the United States support for the paper, "Bases for Understanding" and the resolutions for follow-up developed by this Conference, I would like to make a few comments on our views on the present situation and progress towards permanent solutions.

The United States delegate in his statement to the Technical Meeting described the five-point strategy which was agreed to by the major industrial countries at the Williamsburg Summit. [14] As you heard, that strategy includes:

1. Adjustment by the debtor countries;

2. IMF assistance in support of effective adjustment programs;

3. Ad-hoc emergency government and central bank assistance from creditor countries;

4. Continued commercial bank lending; and

5. Sustained world economic growth with open markets.

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[12] Source: Report of the Special Specialized Conference on External Financing, Second Part, OAS document OEA/Ser.H/X.41, CIES/3811 add. 1, October 6, 1983, pp. 91–95. A note on the source text indicates that this address was originally published as CONFINAN/34. Brackets in the source text indicate minor deviations from the text of Sprinkel's speech contained in a Department of the Treasury Press Release, September 8–9, 1983.

[13] *Supra.*

[14] For text of the address by Paul McGonagle, Principal Representative of the United States, at the First Session of the General Committee, Expert Level, see Report of the Special Specialized Conference on External Financing, Second Part, pp. 43–49.

Adjustment

I have spoken with many of you about the measures your countries have taken to adjust to the changed international environment. Our conversations have enhanced my appreciation of the political and social costs. Nevertheless, we must recognize that domestic adjustment in each country is the *sine qua non* of any effort to arrest a deteriorating payments situation. No amount of bridge lending or bank rescheduling or development assistance can have any enduring effect if the hard political decisions are delayed.

I would like to point out that we are not blithely urging you down a road which we have never traveled. I point this out because I believe it is important to recognize that the industrial countries, too, are faced with difficult economic adjustment and have been making progress, particularly in controlling inflation and returning to the path of sustainable economic growth. While we realize that the United States may be better able than some other nations to moderate the pressures of domestic adjustment, the social costs we have experienced have not been negligible. But our future health demanded bitter medicine. I am happy to say that the need for such corrective policies is recognized by most of the major debtor countries and in many cases they are acting with the assistance of the IMF.

International Monetary Fund

We recognize that financial resources must be adequate to permit a gradual adjustment process. Accordingly, the second element of the strategy for dealing with problem countries is to ensure continued official balance of payments financing on a scale sufficient to help the borrowers through the adjustment period. The key institution for this purpose is the International Monetary Fund, which provides balance-of-payments financing to ease the strains of adjustment. IMF support acts as a catalyst for additional commercial bank lending.

In recognition of the central role of the IMF in resolving debt problems, the member countries of the IMF are in the process of increasing the Fund's quota resources by 47 percent, and are expanding the amounts of and access to the General Arrangements to Borrow. The United States Administration is dedicated to obtaining final approval by the Congress of United States participation in the increase in IMF resources.

Inter-American Development Bank

With reference to development assistance, we have recently completed negotiations for an increase in the resources of the Inter-American Development Bank. The IDB's Sixth Replenishment will do much to ensure that the countries of Latin America and the Caribbean will have continued and increased access to external development assistance.

The proposed increases in IDB capital resources of almost $15 billion and $700 million in the Fund for Special Operations are expected to support lending 40 percent greater than in the last replenishment period.

The United States has strongly encouraged the establishment of an Inter-American Investment Corporation, under the auspices of the IDB which will focus on private sector lending to the region. Our strong support for this new facility derives from our firmly held belief that, in the final analysis, true wealth creation and economic prosperity come from the private sector. The Inter-American Investment Corporation would give priority to investments in small and medium-scale private enterprises in Latin America.

Foreign Direct Investment

We believe that in the current environment of widespread international debt problems, foreign direct investment flows take on increased importance. A free and open international investment climate can play a key role in resolving those problems. I would hope that all countries here will keep in mind that foreign direct investment could continue to be an important source of financing.

Protectionism

Of course, the most important source of foreign exchange is open trade. The relationship among trade, finance, and debt problems is becoming more evident. Obviously, debtor countries must be able to increase their exports to service their debts and improve their balance of payments situation. Protectionism cuts off the major channel for this export expansion, thus forestalling the resolution of liquidity problems.

We have been working with other industrialized countries to foster an awareness that protectionism harms the ability of developing countries to expand their economies and that noninflationary developed country growth provides an environment conducive to stable trade and financial relations.

Adequate financing for developing countries is needed to maintain essential imports. However, some debtors must recognize that they will hamper their own recovery if, in seeking to postpone their balance-of-payments adjustment they employ exchange, trade, and investment restrictions, distorting market incentives and leading to economic inefficiencies. I am convinced that resisting protectionist pressures will benefit all countries, creditor and debtor.

World Recovery

Finally, I would like to say a few words on the world recovery because I understand there is some skepticism about the strength, importance and sustainability of the recovery.

Last April during the IDB annual Meeting I was very optimistic about the United States recovery and I am happy to say our optimism was justified. We are certain world recovery has begun, especially in the United States. Inflation rates are coming down. Nominal interest rates have fallen. United States economic activity is picking up dramatically. Successful recovery in the United States is creating an environment conducive to renewed growth in the developing countries.

Outlook

I'd like to return now to the immediate subject at hand—how we assess both the actions to date and the prospects for the future.

The past twelve months have been a turbulent time for the international financial system. Last year's IMF/IBRD annual meetings in Toronto were held in an atmosphere of crisis and foreboding. [15] As we approach this year's meeting, the problem appears more manageable, and the mood is cautiously optimistic.

I believe this mood of increased confidence is justified for the following reasons: first, international monetary authorities have shown that the existing financial system can respond effectively and flexibly to unexpected major shocks. Cooperation among the BIS, the IMF, the industrialized countries' monetary authorities—and equally important, the finance ministries and central banks of the largest debtor countries—averted constriction of world liquidity and financial panic.

Second: basic economic conditions in the industrialized countries have improved. The OECD countries, the major export markets for Latin America and the Caribbean, should grow around 3 percent this year and strengthen further in 1984.

Third: our countries are, in general, making good progress adjusting; taking the difficult political and financial steps necessary to bring balances of payments into line. This will lay the foundation for renewed economic growth and development.

Fourth: progress is being made on securing the necessary resources for the IMF. Britain has passed its quota increase. So has Germany. After extended deliberations, both houses of the United States Congress have passed the authorization for the United States share of the increase, [16] although further actions will be necessary before the end of the year. The resources of the IDB are being increased and the World Bank Special Action Program and structural adjustment loans are providing additional help.

These four factors are restoring confidence in the strength and flexibility of the existing international financial system, the resiliency of markets, and the ability of governments to manage crises.

In conclusion, I would like to emphasize that we do not for a moment under-estimate the difficulty of the decisions we are making and the impact on our people.

But I also want to emphasize that this extreme situation is temporary. Once significant adjustments are made, the underlying strength and promise of our economies will re-emerge with dynamism and vi-

[15] Reference is to the Annual Meeting of the International Monetary Fund and the World Bank in Toronto, September 6–9, 1982.

[16] Reference is to the legislation authorizing an increase in the U.S. contribution to the International Monetary Fund, P.L. 98–181, Sections 802 and 1101; for text, see 97 Stat. 1153.

tality. Most importantly, confidence is being restored.

We look forward to working with you to hasten the arrival of that day, and to working with you thereafter in achieving the potential of this beautiful [*bountiful*] hemisphere.

Document 607

Prepared Statement by the Assistant Secretary of the Treasury for International Affairs (Leland) Before a Subcommittee of the House Banking, Finance and Urban Affairs Committee, September 13, 1983 [17]

"The United States Has a Direct Stake In Resolving the International Debt Situation"

I am pleased to appear before this subcommittee to discuss the guarantee and insurance facilities which Eximbank is ready to approve for Brazil and Mexico. [18] The facilities would consist of medium-term guarantees and short- and medium-term insurance to be provided under Eximbank's exporter credit programs of up to $1.5 billion for Brazil and of up to $500 million for Mexico.

The administration heartily endorses these facilities. We believe they are necessary to maintain U.S. exports to these two important U.S. markets, and to support imports of vital raw materials, spare parts, and capital goods required to help maintain functioning Mexican and Brazilian economies. In addition, these facilities will complement the financing being provided by the International Monetary Fund, other official creditors, and commercial banks in support of the adjustment programs adopted by Brazil and Mexico.

The use of Eximbank for such purposes was not unforeseen. The facilities generally fall within the parameters of normal Eximbank programs. These facilities do, however, have two unusual features: the amounts involved and the conditions for their use.

Prior to any use of the facilities, the following conditions will have to be met: (1) the country shall be in compliance with its International Monetary Fund Extended Fund Facility; (2) commercial banks shall be prepared to give an additional financing program for the recipient; and (3) other creditor nations shall also be prepared to provide financial support. In the case of Mexico, appropriate bilateral and implementing agreements with the United States shall have been signed pursuant to any multilateral debt rescheduling arrangement.

In order to put these facilities in context, I would first like to outline the administration's policy toward the international debt problem and, in particular, the role of export credit institutions. Second, I would like to summarize the role Eximbank has played in the U.S. Government response to the international debt problems thus far. Third, I would like to briefly review the financial and economic problems facing Brazil and Mexico which have prompted the multilateral effort to assist them in their adjustment process. Finally, I want to explain the important role that the special conditions on the use of these Eximbank facilities will play, both in meeting the Bank's legislative requirements and encouraging multilateral cooperation by both private and official lenders in unwinding the current debt problems of Mexico and Brazil.

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[17] Source: *Export-Import Bank Facilities for Brazil and Mexico. Hearing Before the Subcommittee on International Trade, Investment and Monetary Policy of the Committee on Banking, Finance and Urban Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 21–32. The Senate also held a hearing on this matter; see *Export-Import Bank Proposal of Credit to Brazil and Mexico. Hearing Before the Subcommittee on International Finance and Monetary Policy of the Committee on Banking, Housing and Urban Affairs, United States Senate, Ninety-eighth Congress, First Session* (Washington, 1983).

[18] On September 29, 1983, the Subcommittee on International Trade, Investment and Monetary Policy unanimously approved House Resolution 316, which expressed the sense of the House of Representatives that the Export-Import Bank should delay establishment of its Brazil and Mexico facilities "until the Congress has an opportunity to review such transactions." On September 30, the Export-Import Bank's directors voted to approve the Brazil and Mexico facilities. For information on these actions, see *Export-Import Bank Facilities for Brazil and Mexico*, pp. 94–104.

International Debt Problem and the U.S. Response

Over the past year, the international financial system has been confronted with serious problems as a result of (a) the size of the international debts of several key countries, (b) the inadequacy of their adjustment policies, and (c) the adverse effects of world economic recession on their debt service capacity. In response to growing concern over the international debt problem, lenders began to retrench sharply, and the borrowing countries have since been finding it increasingly difficult to raise normal amounts of trade finance to pay for essential imports. Last year, net new bank lending to non-OPEC LDC's dropped by one-third, to about $32 billion for the year as a whole, and came to a virtual standstill for a time at midyear.

There has been much discussion of whether the current debt problems of many developing countries constitute a "liquidity problem" or one of "insolvency." Most analysts, particularly in assessing the cases of the middle and upper level income developing countries such as Brazil and Mexico, have concluded that such countries are confronted with a temporary, if very serious, liquidity problem, and not one of insolvency. We share that view. We believe that, with proper adjustment policies, most troubled debtors should be able to restore their ability to service their international debts. However, orderly and effective economic adjustment will take time to accomplish, and cannot take place without some continued financial flows, especially from commercial banks.

Current account deficits sustained over long periods are not by themselves evidence of insolvency. During the 19th century, the United States ran a current account deficit which was offset by investment flows necessary to develop our economy. However, such current account deficits need to be matched by sufficiently sound economic policies to encourage the necessary capital inflows. Mexico and Brazil have run into liquidity problems because of their economic policies and large foreign borrowings.

The International Monetary Fund has a central role in our strategy for managing international debt problems, due to its ability to negotiate effective adjustment programs with troubled countries. The IMF provides temporary balance of payments financing in support of these adjustment programs, and more importantly its programs imply a "seal of approval" which gives private lenders the confidence to resume new lending.

At times, we have found it necessary to provide short-term official financing to bridge the time needed to negotiate an IMF program. For this purpose, the Treasury's Exchange Stabilization Fund (ESF) and the Federal Reserve provided $2.5 billion to Mexico and $1.9 billion to Brazil, amounts which have since been fully repaid.

Over the longer term, the adoption of export-oriented policies by debtor countries, the avoidance of protectionist measures in both debtor and creditor countries, and world economic recovery are key elements necessary to restore stability in the international financial system and to revive the growth of world trade. Maintenance of trade finance flows can play a crucial role in allowing this strategy to work.

The United States has a direct stake in resolving the international debt situation. At the extreme, it could threaten the stability of our financial system. Even in its present form, it is having a significant negative impact.

Recent data from the Department of Commerce illustrate the severe impact of the liquidity problems of Brazil and Mexico on U.S. exports and consequently U.S. employment:

(1) U.S. exports to Mexico, our third largest trading partner, declined sharply in 1982 and have continued their steep decline in the first part of 1983. U.S. exports dropped 36.5 percent from $17.4 billion in 1981 to $11.0 billion in 1982. Our exports totaled only $4.2 billion in the first half of 1983, 39 percent lower than the level of nearly $7.0 billion for the first half of 1982. Most of the decline was in exports of manufactured goods. U.S. agricultural exports to Mexico have not declined significantly because the Commodity Credit Corporation (CCC) responded to the contraction in trade finance and the Mexican crop failure by providing $1.3 billion in guarantees to support U.S. agricultural exports.

(2) U.S. exports to Brazil fell steeply in the first half of 1983 following moderate declines in 1981 and 1982. U.S. exports

totaled only $1.22 billion January–June, 1983, 30 percent lower than the level of $1.76 billion for the first half of 1982. If the current trend continues throughout all of 1983, U.S. exports to Brazil would be almost 50 percent below 1980 levels.

Due to the extent and complexity of the liquidity problems faced by key debtor countries such as Brazil and Mexico, external financing must come from a variety of sources and in a variety of forms. The most important is increased lending and debt relief from commercial banks to countries which are following appropriate adjustment programs. However, there is also a need for official finance from sources such as the International Monetary Fund, debt relief from official creditors through Paris Club rescheduling,[19] and official trade finance from major creditor countries to ensure financing of imports crucial to debtor country adjustment.

In this context, there is an important role for U.S. Government trade finance programs, such as CCC and Eximbank, to play in responding to countries experiencing extraordinary liquidity problems. Trade finance programs can help develop market confidence, promote additional commercial bank lending check the decline of U.S. exports resulting from debt problems, and facilitate LDC adjustment efforts. Official export programs can be adapted (1) so as to catalyze U.S. private sector participation, rather than relieve the bankers and exporters of reasonable and appropriate levels of risk, and (2) so as to not distort normal trade credit patterns. We believe such facilities should be used to help reestablish private trade finance activities.

The administration foresaw an important role for Eximbank in responding to international debt problems in the 1980's. We have expected a contraction in Eximbank direct credits as the demand for subsidized export credits fades in light of falling commercial interest rates. At the same time, we have predicted a major increase in the demand for guarantees and insurance to ensure the continued availability of private credit for U.S. exports in the face of the debt problems which were making private lenders reluctant to continue extending trade finance. The implication was that the best way that Eximbank could promote additional U.S. exports would be to shift from subsidized financing to maintaining the availability of private financing.

The need to respond quickly to the economic and financial problems facing Brazil and Mexico and the adverse impact of these problems on the U.S. economy, as well as a desire to make the most effective use of the budgetary resources available to Eximbank in FY '83 and FY '84, were the primary considerations in approving these facilities at this time. These facilities coincide with ongoing multilateral efforts to deal with these countries' liquidity problems, such as the pending Brazil/IMF agreement and our efforts to promote burdensharing among commercial banks and other official creditors. Since Eximbank had excess guarantee and insurance authority for FY '83, we felt it would be appropriate to authorize these facilities at this time.

Eximbank's Response to the International Debt Problem

Generally, Eximbank has remained open for business in most markets, even in the face of the international debt problem. Eximbank has taken a country-by-country, case-by-case approach to supporting U.S. exports through its direct credit, guarantee and insurance programs. Under its normal programs, it is estimated that Eximbank will authorize almost $1.0 billion in direct credits and $5 billion in guarantee and insurance authority in FY '83.

As liquidity problems mounted in key Latin American countries such as Mexico and Brazil, and as traditional sources of trade finance began to dry up, it became increasingly evident that recent levels of credit guarantees and insurance would not be adequate to sustain the flow of U.S. exports. Additional guarantees and insurance would have the added benefit of supporting the adjustment programs and restoring the confidence of the international financial community.

Brazilian and Mexican Economies

Brazil: Brazil faces a severe financing gap during the balance of 1983 and 1984 that threatens to cause a further substan-

[19] Under the International Monetary Fund's General Arrangements to Borrow, established in 1962, 10 of the wealthiest industrial members of the IMF "stand ready to lend their currencies to the IMF up to specified amounts when supplementary resources are needed." This Group of 10 is also called the Paris Club.

tial contraction in trade. Early in the 1980's Brazilian economic policies, which emphasized an accelerated growth rate and which external creditors were willing to finance, resulted in a 33 percent increase in external debt from $63 billion in 1980 to over $80 billion in 1982. During the same period, interest and the repayment of principal on maturing debt consumed an estimated 80 percent of foreign exchange earnings. The crisis was precipitated in 1982 as (1) Brazil's economic adjustment effort faltered; (2) a worldwide recession reduced export earnings; (3) high interest rates increased the burden of existing debt; and (4) Brazil found itself unable to cut imports enough to offset these adverse developments. As a result, the current account deficit surged from $11.7 billion in 1981 to $14.7 billion in 1982. By late 1982, Brazil's need for new financing to finance the deficit and to service its international debt was considerably greater than its ability to attract new private lending. At the same time, Brazil's foreign exchange reserves were vanishing.

In the first round of exceptional financing arrangements for Brazil, the Bank for International Settlements provided a $1.4 billion loan, and the U.S. Treasury provided additional short-term support in excess of $1.2 billion. In February 1983, Brazil and the commercial banks agreed on a four part program providing for a rescheduling of $4.8 billion in maturing medium-term debt, confirmation of $10 billion in short-term trade credits, extension of $4.4 billion in a new medium-term facility and restoration of interbank lines of credit to the mid-1982 level of over $9 billion. This package was complemented by a $4.9 billion IMF 3-year Extended Fund Facility and $1.0 billion in CFF drawings.

These financing arrangements broke down in the spring of 1983, principally because not all banks were willing to maintain target levels for interbank deposits. Also, Brazil did not meet its performance targets under the IMF program and was out of compliance by the end of May. As a consequence, the IMF withheld a scheduled disbursement of $411 million. The commercial banks in turn held back on disbursing a $634 million installment of their new $4.4 billion medium-term facility which had been linked to successful performance under the IMF program.

At midyear, in recognition of the inadequacy of its adjustment effort, the Government of Brazil began implementing many of the necessary further policy measures. Since then, wage indexation has been reduced, subsidies are being curtailed, public spending is being restrained, a tight monetary policy is being implemented, and some new taxes have been added.

This month the IMF and Brazil are expected to reach a tentative agreement on new economic targets and on performance criteria which should be presented to the IMF Executive Board before the end of October. This reinforced adjustment effort may prove to be economically, socially, and politically very difficult, but it demonstrates the determination of the Brazilian authorities to deal with underlying problems. Also, it provides the basis for the resumption of complementary financial support from official and private creditors.

The Brazilian economy is going through a very difficult adjustment process. Foreign financing obtained to cover the very large current account deficits (totaling $39 billion) experienced in the last 3 years (1980–82) has compounded Brazil's current debt burden. The measures necessary to contain and then correct the situation all imply a sharp contraction in domestic demand over the next 18 months. The current account deficit should drop to about $7.5 billion in 1983 from $14.7 billion in 1982, and next year should bring a small further improvement to about $6 billion.

Even deficits of this size present a continuing financing problem. On current estimates, additional financing of nearly $11 billion will have to be found for the remainder of this year and for 1984. Discussions are now underway within the banking community and among creditor governments in a cooperative effort to mobilize the financing needed to support Brazil's renewed adjustment effort.

Mexico: As in the Brazilian case, Mexico's debt crisis was precipitated by a combination of rapid growth in international debt, high interest rates, declining export revenues in the worldwide recession, and inadequate adjustment efforts. As private lenders became increasingly reluctant to extend new financing, Mexico experienced a dramatic drop in imports and in economic activity in the latter half of 1982. Imports fell from $9.2 billion in the first half of the year to only $5.2 billion in the

last half. Total imports for the year, at $14.4 billion, were 41 percent below 1981. Most of this drop came at the expense of U.S. exports to Mexico, which fell by $6.0 billion between 1981 and 1982.

To assist the Mexican authorities while they reached agreement with the International Monetary Fund and with their creditor banks, governments in creditor nations extended a total of $3.85 billion in financial assistance. Most of this assistance came from the United States in the form of a $1 billion advance payment by the Department of Energy for the purchase of crude oil for the Strategic Petroleum Reserve (SPR), $1 billion in CCC guarantees for U.S. agricultural exports to Mexico, and $925 million in short-term assistance from the Treasury's Exchange Stabilization Fund and the Federal Reserve. An additional $925 million was provided by treasuries and central banks in ten other industrial countries. The entire $1.85 billion package of short-term assistance was repaid on schedule by August.

Subsequently, the export credit agencies of the principal creditor governments agreed to a package of about $2 billion in additional export credit guarantee lines of which the U.S. share was half. Of the U.S. share, $300 million came in new Eximbank lines and $700 million in CCC credit guarantees. The large amounts of CCC guarantees have been particularly helpful at a time when Mexico has been experiencing drought conditions and has needed to import considerable amounts of agricultural goods from the United States.

In June, Mexico's official creditors agreed to a rescheduling which will provide about $1.7 billion in debt relief through the end of this year, with a possibility of further relief later. Commercial banks in turn have extended $5 billion in net new loans in 1983 and have been rescheduling about $20 billion in medium-term public sector debt. Arrangements have already been agreed to for about $11 billion of this rescheduling, with the remainder still under negotiation.

The IMF 3-year Extended Fund Facility arrangement which was approved last December focuses on a reduction in the public sector deficit, from 18.6 percent of GDP in 1982 to 8.5 percent this year. In order to promote exports, Mexico is to manage its exchange rate flexibly in the controlled exchange market, and eventual unification of the multiple rate system is contemplated. Limits have been set on total credit expansion and, separately, on credit to the public sector. Interest rates are to be managed flexibly, aimed at efficient market allocation of credit and promotion of savings.

Thus far, Mexico has remained in compliance with its Fund commitments and has been eligible to make drawings on schedule. Greater progress has been made in reducing the current account deficit than originally anticipated. The target for 1983 was a deficit of $4.2 billion. Current forecasts suggest that there may actually be a surplus of $1–2 billion. However, to a considerable extent, this reflects slower economic activity and lower import demand than originally expected. Real growth this year is now expected to be negative, by as much as 5 percent, compared to the zero growth originally envisaged. Achievement of positive real growth next year may also prove to be difficult.

In any case, Mexico's foreign liquidity problems are not yet over. Foreign reserves remain very low and some net new financing from commercial banks may be needed next year. Also, if Mexico is to maintain a tolerable level of imports this year and next, it will need a steady flow of trade finance, in the face of continued reluctance by commercial banks and foreign suppliers to increase, or even maintain, current levels of exposure.

Eximbank Facilities for Brazil and Mexico

As I have already mentioned, Eximbank is prepared to respond to these liquidity problems by providing special insurance and guarantee facilities to ensure that financing remains available to support a continued flow of U.S. exports to Brazil and Mexico. The new Brazilian facility is directed to complement the IMF program and contribute to the multilateral financing efforts to help Brazil through its current difficulties. The Mexican facility will strengthen the Mexican recovery effort by acting both as a catalyst for continuing support by the international financial community and as a secure source of financing for U.S. exports.

Advantages of Insurance/Guarantee Facilities: The new facilities have the following advantages:

—Such facilities help ensure the availability of trade finance and thus help fill

financing gaps caused by liquidity problems.

—Eximbank is requiring the full faith and credit obligation of the recipient government for these facilities. Such government guarantees would not generally be available to commercial lenders if Eximbank had not been involved. The government guarantee contributes to a finding of "reasonable assurance of repayment."

—Eximbank insurance and guarantee programs to sovereign public buyers cover 100 percent of principal and a significant portion of the interest rate.

—The facilities allow maximum flexibility to the debtor government in responding to its liquidity problem. These governments can determine the priority of products to be covered, as well as which U.S. exporters and banks would have access to the facilities.

—The facilities can be structured to generate additional liquidity support if commercial bank access to the facilities is contingent upon the banks' participation up to their fair share in other new lending, at their own risk.

—The facilities will take into account the need to support U.S. export sales to the private sector as well as sales to public sector entities.

—The facilities can be implemented rapidly.

Conditions: The new Eximbank facilities for Brazil and Mexico will only be part of a much larger multilateral effort. This effort includes (1) an IMF program; (2) additional new commercial bank financing; (3) official finance from other governments; and (4) rescheduling of existing debt. To ensure that such a multilateral effort takes place, we have insisted that four conditions be met before the facilities can be triggered. I would like to explain these conditions in greater detail, particularly in light of the specifics of the Mexican and Brazilian situations.

(1) The facilities should only be available if the debtor country remains in compliance with IMF stabilization programs.

The condition that the debtor country remain in compliance with an IMF stabilization program is necessary to ensure that appropriate adjustment policies are in place and to show that the debtor country offers reasonable prospects of repaying its debt. Compliance with an IMF program is also a precondition for the disbursement of funds by other participants in the multilateral financing effort—the IMF, other official creditors, and commercial banks.

In Brazil, disbursements under the IMF's $4.8 billion Extended Fund Facility were discontinued when Brazil fell out of compliance with IMF targets in May. The IMF management and Brazil are expected to reach an agreement this month on revised targets. The IMF Board should consider the revised agreement before the end of October, and IMF disbursements may resume late this year. Under these circumstances, it is only prudent that Eximbank await final agreement with the IMF before activating its guarantee and insurance facility. As a further incentive to remain in compliance with an IMF program, Eximbank could suspend the facility if Brazil fell significantly out of compliance with its IMF program and the IMF suspended further disbursements.

Mexico already has an ongoing fund program and is in compliance with its performance targets. If that were to cease to be the case, the Eximbank could suspend the facility, as in the case of Brazil.

(2) The facilities could be specifically linked to continued commercial bank financing. The distribution of the financing burden between private and official creditors must be equitable. It is essential that commercial banks continue to bear their share of new financing and risk-taking.

The role of private creditors is particularly crucial in Brazil at the moment. The banks are now considering a contribution to the overall financing package for Brazil on the order of $7–9 billion. Obtaining commitments of this size will be difficult, particularly with regard to the participation of smaller banks in the syndication. We expect to put existing trade finance and interbank deposits on a committed basis to ensure that official U.S. and other export insurance guarantees to non-Brazilian banks are truly additional.

In the case of Mexico, the commercial banks have already made financing commitments in the form of new credit for 1983 and debt rescheduling through 1984 which seem to be sufficient. There may be some need for additional net new financing in 1984, but the amount is likely to be smaller than in the Brazilian case.

(3) Other creditor governments should provide new credits along with the increase in U.S. credits to assure equitable sharing of the financing burden among governments.

If the United States undertakes to provide Brazil with substantial amounts of Eximbank trade finance, the question arises as to the appropriate level of support by other governments. Under most burden-sharing formulas, whether related to trade, outstanding debt, or value of service payments, the U.S. share in the financing burden should amount to approximately 40 percent. We are in the early stages of discussing with other major developed countries the contribution they might make to an overall export credit guarantee package. We do not contemplate that the special Eximbank facility will become operative until this additional financing is raised.

(4) Official debt rescheduling arrangements are expected to form an important part of the overall financing program for both Brazil and Mexico.

Brazil has recently formally requested a Paris Club rescheduling. Estimated maturing obligations to official creditors during the period from August 1, 1983, through December 31, 1984, amount to more than $2 billion. Preliminary discussion of the rescheduling is expected in Paris on September 15.

In the Mexican case, signature of bilateral and implementing agreements under a previous rescheduling arrangement is a precondition for the Eximbank facility. As mentioned before, in June, Mexico's official creditors reached a multilateral agreement to extend debt relief to Mexico through the end of this year. Bilateral and creditor agency agreements are now being negotiated by each of the creditor countries. We are hopeful that our agreement with Mexico can be completed by October. Also, the official creditors have indicated to Mexico their willingness to consider further debt relief beyond 1983, and preparations may begin later this year.

Facilities and Normal Eximbank Programs

The new Eximbank facilities are not extraordinary, except in the amounts involved and the specified conditions. These facilities fall within the general ambit of Eximbank programs and are consistent with the Eximbank Charter:

—The facilities fall within the parameters of current Eximbank insurance and guarantee programs. Coverage would only be triggered when a U.S. export occurs.

—The facilities may be used only in support of specific U.S. exports, as is normally the case in Eximbank's programs.

—Existing insurance programs are well-suited to supporting the type of multipurpose lines of credit needed to support imports of commodities, spare parts, and capital goods.

—The facilities draw on existing Eximbank guarantee/insurance authority, consistent with the administration's Eximbank budget policy to place more emphasis on guarantees and insurance. The administration has already recognized such contingencies in its request for guarantees and insurance in FY '84.

—The facilities, with the special conditions, meet the Charter's requirement of "reasonable assurance of repayment." First, the facilities require the full faith and credit obligations of the Governments of Brazil and Mexico. Eximbank has had good experiences with government guaranteed transactions, including a very high recovery rate in case of default. Secondly, compliance with an IMF program indicates that the debtor country is undertaking a major effort to adjust and work its way out of its debt problem. Finally, parallel actions by the commercial banks and other governments will provide further evidence of international confidence that the debtor country has a good chance of solving its liquidity problems.

Conclusion

The administration strongly supports Eximbank's authorization of special guarantee and insurance facilities to Brazil and Mexico in the amount of $1.5 billion and $500 million respectively. These facilities will be used solely to support U.S. exports. The prospects for both countries offer reasonable assurance of repayment with the conditions imposed for each facility. In addition, they will significantly contribute to the multilateral effort to provide Brazil and Mexico with sufficient external financing to allow the orderly economic adjustment which will enable them to overcome their current international debt problems.

Document 608

Address by the Deputy Secretary of State (Dam) Before the General Assembly of the Organization of American States, November 14, 1983 [20]

U.S. Policy in Latin America

Mr. President, Mr. Secretary General, distinguished colleagues, ladies, and gentlemen:

"The historic mission of America is to offer to man a land of liberty, and a favorable environment for the development of his personality and the realization of his just aspirations."

These words, which open the preamble to the Charter of this Organization of American States, express the central ideal that has guided the New World from its inception. Today, this ideal of democracy, of human rights, and of peace is advancing steadily in the lives of millions of men, women, and children throughout the hemisphere.

As the oldest continuing collaborative effort by nations to work together for the betterment of their citizens and for the maintenance of peace, the Inter-American System has long been a symbol of international cooperation and hope. Today, we can be especially proud. More and more of the members of our system are demonstrating once again that democratic processes and institutions are the best means of fulfilling human aspirations.

One year ago this week, nearly 60 million Brazilians voted in state and local elections. President Reagan, speaking in Brazil shortly afterwards, noted that the kinship of ideals this demonstrated between our citizens also strengthened the ability of our two governments to work together on many vital world issues. [21]

Two weeks ago, the citizens of Argentina celebrated nationwide elections in an atmosphere of intense civic freedom. Today, on behalf of my government and on behalf of the people of the United States of America, I should like to congratulate the Republic of Argentina, its people and its government. When decisions are made in freedom, everyone triumphs.

We are witnessing historic events: the return to democracy by most nations of this hemisphere. What is happening in Argentina and Brazil adds to the growing list of hemispheric countries—including Bolivia, Ecuador, Honduras, and Peru—that have in recent years restored constitutionalism and democracy. Next year this process of democratic renewal will gain additional strength when El Salvador, Grenada, Guatemala, and Uruguay, among others, hold elections. Overcoming bitter periods of instability and authoritarianism, each of these countries is reasserting the hemisphere's central vocation as a land of liberty.

Recent elections in the hemisphere have made abundantly clear that, given the opportunity, all of our peoples will choose democracy over authoritarianism. Free elections are at the very heart of any search for human rights. They are the best guarantee that governments will respect and observe the rights and aspirations of their people. By allowing political views to be expressed and weighed freely, elections facilitate the peaceful resolution of differences. And they assure the popular legitimacy without which authority becomes tyranny and dictatorship.

Regimes that abuse their own citizens cannot expect to maintain the delicate internal balance that holds just societies together. And they will find it equally difficult to convince their neighbors that their foreign relations will be governed by respect for international law.

The recent crisis in Grenada illustrates the underlying importance of democracy to internal order and regional peace. This General Assembly meets so shortly after that crisis that it is important to examine some of the implications of what happened there for our countries and for this organization.

I should therefore like to review briefly the conditions that brought about the decision by seven democratic states, all members of this organization, to undertake the collective action in Grenada that began on the morning of October 25.

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[20] Source: Department of State files. Dam made this speech in Washington.

[21] The President traveled to Brazil, November 30–December 3, 1982.

The critical precipitating event was the breakdown of government institutions in Grenada. From that condition flowed threats both to the peace and security of the Eastern Caribbean and to the safety of the foreign nationals living there.

Grenada's government dissolved in the wake of the murder of Prime Minister Bishop and other leaders. A 16-member Revolutionary Military Council was announced, apparently with Army General Hudson Austin at its head. But it was never clear who was really in charge, or that the Council was capable of functioning as a government.

The disintegration of political authority in Grenada created a dynamic of uncertainty and fear. Further violence seemed inevitable. The actions of Bishop's murderers indicated that they would have either driven the island into further chaos or turned it into an armed fortress. In either event, the threat to those living in Grenada and to the peace of the Eastern Caribbean would have increased.

On October 24, Governor-General Sir Paul Scoon appealed to the Organization of Eastern Caribbean States (OECS) and other regional states to help to restore order on the island. We and the OECS countries accorded exceptional moral and legal weight to this appeal, for it came from Grenada's sole remaining source of governmental legitimacy.

Sometimes it is necessary to act in order to keep a bad situation from getting worse. This was such a time. Action was necessary to resolve what Article 28 of our Charter refers to as a "situation that might endanger the peace." Inaction would have made more likely a hostage situation and increased the costs in lives of any subsequent rescue operation.

Both the OAS Charter, in Articles 22 and 28, and the UN Charter, in Article 52, recognize the competence of regional security bodies in ensuring regional peace and stability. Article 22 of the OAS Charter in particular makes clear that action pursuant to a special security treaty in force does not constitute intervention or use of force otherwise prohibited by Articles 18 or 20 of the Charter. The OECS decided to act under the 1981 Treaty establishing the organization and creating a special security regime for the Eastern Caribbean.

The United States had an additional concern also recognized under international law: the same anarchy that the countries of the Eastern Caribbean saw as a direct threat to them was also a threat to the safety of some 1,000 U.S. citizens studying or living in Grenada.

For all of these reasons, President Reagan decided to act jointly with Barbados and Jamaica in response to the urgent and formal request from the OECS, which cited "the current anarchic conditions, the serious violations of human rights and bloodshed that have occurred and the consequent unprecedented threat to the peace and security of the region created by the vacuum of authority in Grenada."

The overwhelming and positive reaction by Grenadians from all walks of life has confirmed the correctness of our collective action. Today, Grenada is beginning to reestablish itself as a functioning democracy. In that effort, it has—and will continue to have—the practical and moral support of the United States. I trust that Grenada will have the support of this Organization as well.

What happened in Grenada has important implications for peace, security, and development in this hemisphere. It is important that we understand them, whether as individual states or as members of a common system grounded in law.

What, then, are the implications of Grenada?

Perhaps the first thing to note is that the collective action was undertaken to resolve a condition of anarchy, not to alter a functioning political system. It is well known that Grenada's ties to Cuba and the Soviet Union, its poor human rights record, and its abandonment of democracy had led many governments to have serious disagreements with the Bishop regime. Nonetheless, Grenada's political system is clearly a matter only Grenadians have a right to decide. Indeed, what we found in Grenada suggests that Grenadians are now in a far better position to exercise their fundamental right to self-determination.

In the second place, there is today in the hemisphere no situation factually comparable to that of Grenada in mid-October. There is, for example, no situation in which foreigners are threatened by a generalized condition of anarchy and violence

or in grave danger of becoming hostage to a vicious internal power struggle.

Although these considerations suggest that what happened in Grenada was *sui generis*, one member state of this organization, some of its officials have suggested, feels threatened by what happened in Grenada.

The country that apparently identifies itself with Grenada is Nicaragua. This raises some troubling questions about the Government of Nicaragua.

Can it be that Nicaragua's *Commandantes* are launched on a path from which they fear they cannot return without risk from their fellow leaders? Do they fear that they will fall out among each other as did the leaders of the ill-fated New Jewel Movement?

Or is it that the *Commandantes* are beginning to worry that the very security system developed for them by their Cuban and Communist bloc associates will endanger them? That Soviet and Cuban security personnel and armaments could put the Government of Nicaragua, as they did the government of Prime Minister Bishop, into a prison from which it will be impossible to escape peacefully?

I would like to believe that neither of these hypothesis is true. I would like to believe that the *Commandantes* are beginning to recognize that, when *diktat* and imposition replace democratic institutions and legal safeguards, political differences tend to degenerate into violence. And I would like to believe that the *Commandantes* are becoming concerned at their neighbors' resistance to Nicaragua's export of subversion and armed violence.

If so, a remedy may be found in the commitments they made to the Nicaraguan people and to this organization in 1979.

In July 1979, the soon-to-be governing junta of Nicaragua pledged formally to the Organization of American States that its goals were democratic and peaceful. [22] Those pledges included specific commitments to take measures leading to political democracy, economic freedom and international nonalignment. On the basis of those commitments, this Organization called for the replacement of the then Government of Nicaragua.

Having accepted those assurances, this Organization has a special responsibility to encourage Nicaragua's government to keep its pledges. The United States has consistently sought to engage Nicaragua to this end, first providing exceptional amounts of economic assistance, then making repeated attempts at negotiation. Nicaragua's neighbors have made similar efforts. Yet instead of good faith negotiations, instead of the verified termination of the export of subversion, instead of genuinely fair political competition through elections open to all groups, Nicaragua today is characterized by swollen military forces, disregard for political dialog and religious freedom, and the presence of some 11,000 security and other personnel from Cuba and the Soviet Bloc.

One approach today to restoring peace and democracy to Nicaragua and Central America is that of the Contadora process. The Contadora Document of Objectives represents a consensus about what is required. [23] It is: an end to terrorism, destabilization, and guerrilla warfare; a reduction of military forces and armaments; political reconciliation through free elections and respect for human rights; the removal of foreign troops and military advisors; and the commitment of resources more for economic development and reform than for military buildup and destruction.

The United States firmly supports the Contadora Document of Objectives. Just 10 days ago, President Reagan reiterated in the strongest terms our backing for the 21 points contained in this document. We believe they provide the basis for a lasting solution to many of the region's problems. Addressed in a comprehensive manner, they would resolve both Nicaragua's fears and those of its neighbors.

The Contadora negotiations are a responsive and responsible course of action by those best positioned to assess the danger and its remedies. In that sense, Contadora embodies what may well be the fundamental lesson of the collective response to the Grenada crisis: that the best source of knowledge, and the best guidance to action, comes from the peoples

[22] Regarding the letter from the Junta of the Government of National Reconstruction to the Secretary General of the OAS, see footnote 24 to document 615.

[23] See document 636.

and countries most directly concerned, most aware of what is happening in their own neighborhood.

We hope that the nine countries involved in this effort to bring peace to Central America will push ahead with all possible speed to transform the 21 objectives into a comprehensive and verifiable agreement. We stand ready to do everything we can to assist. And I urge all OAS members to do the same.

The troubles in the Eastern Caribbean and Central America are important and topical. But they must not be allowed to deflect our attention from the crucial economic issues that challenge the entire hemisphere, and on whose resolution the achievement of lasting peace, social justice and stability so clearly depends.

In recent years, the decline of real commodity prices and the setbacks to domestic growth have been the worst since the great depression. Copper, coffee, sugar: not a country among us has been immune to falling commodity prices. For numerous countries, debt service ratios, and inflation rates are at historic highs.

Since August 1982, the international financial system has faced an increasing variety of challenges. The system has proved more resilient than many had thought, but there are many continuing sources of strain.

Even if the global recovery continues, and even if major new increases in either petroleum prices or world interest rates can be averted, debt problems will continue to be very significant during the remainder of the 1980's.

The severity of these problems will hinder rapid recovery. But let us not lose sight of our fundamental strengths. The bases for recovery are present. Hemisphere economies are fundamentally sound; they have both the human base and the natural resources that are needed for sustained economic growth. As a whole the hemisphere achieved real annual growth rates averaging 5.5–6.5 percent during the 1960's and 1970's. Basic infrastucture was built, people trained and modern economic sectors strengthened.

For these reasons, the long-term prognosis for most of Latin America's major economies remains positive. The basic issue is economic reactivation in the short and medium term.

The U.S. Government's approach to external debt problems includes five mutually-supporting elements.

The necessary first step is a broadening of the economic recovery in the United States and other industrialized countries, combined with continued efforts to resist self-defeating protectionist pressures. I am pleased to note that evidence of our economic recovery is becoming clearer day by day.

Second, and equally fundamental, are the economic adjustment efforts by each debtor country. Orderly adjustments, combined with the other elements of our approach, offer the best hope for a return to the economic growth and development levels of the 1960's and 1970's.

Third, effective adjustment efforts must be supported by IMF assistance. The IMF's role must be strengthened by approval of the pending quota increase.

Fourth, creditor countries must provide emergency government and central bank assistance on a case-by-case basis.

Fifth, but not least, prudent commercial bank lending must continue. Credit lines must be kept open and growing.

Last September's OAS external finance conference in Caracas, Venezuela, demonstrated that the nations of the hemisphere can come together and discuss major hemispheric economic problems constructively and in harmony. The recent meeting of the Inter-American Economic and Social Council in Asunción, Paraguay, unanimously confirmed the decisions taken in Caracas and established a special committee to examine external debt, trade, and financing. This initiative is receiving our close attention.

The vital catalyst for economic growth is the free flow of capital, goods and services. Policies that foster free capital flows and encourage private investment, risk-taking, innovation, and competition will be the key to success in meeting the recovery and growth challenges we now confront. Economic reactivation depends on millions of entrepreneurs and workers in the private sector making daily decisions in their area of competence.

Governments can help extend the frontiers of economic and political liberty. They must guide with policy and, where appropriate, cooperate with information and resources. Bilateral commercial and investment treaties can help. In addition, the unavailability of arbitration mechanisms is viewed by many potential investors as a disincentive to the transfer of capital. The Inter-American Commercial Arbitration Commission (IACAC) is an independent regional body dedicated to the peaceful settlement of commercial disputes through arbitration. Strengthening the IACAC's ties with the OAS would promote the free flow of needed capital.

Finally, we have a major stake in each other's markets. In 1982, U.S. exports to Latin America and the Caribbean amounted to $34 billion—and Latin America's exports to the United States amounted to $33 billion.

The U.S. Government is committed to open trade for all nations. Despite strong domestic demands for widespread protection, the United States has refrained from imposing new trade restrictive barriers. On the contrary, we are continuing to implement the liberalization agreed upon in the Multilateral Trade Negotiations. We are seeking a renewal of the Generalized System of Preferences—which has provided very significant benefits to Latin America. And we have succeeded in achieving a virtually all-inclusive free trade status for the Caribbean Basin.

The Caribbean Basin countries will soon begin to take advantage of the trade and other provisions of the Caribbean Basin Economic Recovery Act.[24] Providing duty-free access to the U.S. market is the heart of the CBI legislation, which is designed to stimulate private investment in export industries in the region. An indicator of the program's value, even over the short term, is that about $500 million of presently dutiable exports from the Caribbean Basin will be freed from U.S. duties because of the CBI. As stability is restored, the benefits should be even greater.

Let me conclude by returning to the theme with which I opened these remarks.

The democratic ideal surely offers this hemisphere's best reason for optimism. But we must recognize that democracy is being restored under conditions that are far from optimal. The strains created by the inescapable need to adjust and stabilize economies are virtually unprecedented in their severity. Some observers believe these strains will prove so intolerable that they will prove incompatible with democracy.

This concern calls for closer examination. It implies that democracy is a luxury—a secondary and dependent superstructure to be erected only when certain prior conditions are met, a superstructure desirable only after basic choices have already been made. Some advocates of this view also seem to be saying that genuine democracy is not possible at all in most of Latin America.

My government holds a different view. We believe that it should be a source of confidence that the people of this hemisphere are turning to democracy not in times of plenty but in hard times—times demanding solutions to hard-to-resolve problems. In our view, democracy is a problem-solving mechanism. Democracy is not a luxury but a necessity. It is not a superstructure but a foundation.

As I noted earlier, democracy and free elections offer the best means of distributing power within a nation and therefore the surest way to prevent tensions from breaking down into internal violence. But democracy and freedom of expression also provide the best route to increased public understanding of complex economic issues and to public support for the austerity that present circumstances require. And democracy's consultative process offers the best means of translating the people's instinctive longing for peace into government policy.

My government's support for the Contadora effort is not merely a polite bow to a helpful diplomatic initiative. It is support for the *substance* of a process whose 21 points underscore our commitment to defending democracy where it is threatened, to helping build democracy where it does not already exist, and to insisting that the abridgment of democracy from whatever quarter must not be taken lightly by our community of nations.

I believe that historians of this period will record that the people of this hemi-

[24] The Caribbean Basin Economic Recovery Act, P.L. 98-67, was enacted August 5, 1983; for text, see 97 Stat. 369.

sphere turned to democracy not as an appealing afterthought but as the best means by which their problems could best be resolved. It is the policy of the U.S. Government to support this historic movement with all appropriate means. We are convinced that democracy is possible—indeed, that for the common good, it must succeed.

Thank you.

B. Mexico, Central America, and the Caribbean

Document 609

Transcript of the Department of State Daily Press Briefing, January 7, 1983 (Extract) [1]

Arms Sales to Guatemala

MR. HUGHES. Good afternoon. I do have an announcement on Guatemala.

After extended consultations with the Congress and analysis of the situation in Guatemala, the Department has decided to permit the cash sale to the Government of Guatemala of previously requested spare parts and safety-of-flight items under the Foreign Military Sales Program. This decision has been communicated to the Government of Guatemala by our Ambassador to that country.

This decision on specific FMS items is part of a broader relationship which includes the disbursement of some $10 million in economic support funds already made available under that portion of the Caribbean Basin Initiative which passed Congress during the past session. [2] This assistance addresses the pressing economic difficulties which the Government of Guatemala shares with its other regional neighbors.

The potential sales which could result from this decision would constitute the first such FMS sales to the Government of Guatemala since the late 1970s, except for $15,000 in FMS training. The decision was made in light of human rights improvements which have taken place in Guatemala since the Rios Montt government came to power in March of 1982.

In this regard, while we want to see further progress in Guatemala in promoting respect for human rights, President Rios Montt has taken significant steps in this area. Progress has been made.

Similarly, we look forward to the continuing development of the democratic process. Since General Rios Montt assumed power on March 23 of last year, political violence in the cities has declined dramatically; recently there are indications that the level of violence in the countryside has declined as well; villagers have been provided food and medical supplies along with the means to defend themselves; plans are underway for the election of a constituent assembly; the Indian population is increasingly participating in the country's political process; the President Rios Montt has been attacking corruption within the government.

The government has declared its desire to cooperate with independent human rights groups and United Nations agencies, and has permitted a number of private groups to visit the country.

These are steps which we feel should be recognized and encouraged.

Q. Copies?

A. Surely.

Q. How much are the sales worth?

A. The total, and I could make this list available, is about $6,300,000. It's about larger-items in that list a million dollars for spare parts for UH–1H helicopters; about $1,350,000 for the inspection and repair of three helicopters; about $260,000 for the overhaul of three heli-

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[1] Source: Office of Press Relations, Department of State. John Hughes, Department of State Spokesman, conducted the briefing which began at 12:25 p.m.

[2] Regarding the Caribbean Basin Initiative, see *Congress and Foreign Policy, 1982*, Committee on Foreign Affairs, House of Representatives, Committee Print (Washington, 1983), pp. 58–67.

copter engines; about $2.9 million for radio equipment; and after that the amounts get—about half a million dollars for earth-moving equipment, and after that the items get progressively smaller.

Q. Could we get that list?

A. Sure, we'll make that list available.

Q. Why do you say the Department has decided? Is this not a decision that would have to be made by the President?

A. No, I think it is—I can give you a little elaboration on that, I think.

I may have to go back and do a little homework on that, but I think, basically, as you know, there's been consultation with Congress, but basically it is the Secretary's decision.

Q. These are all government-to-government sales; right?

A. Yes.

Q. Is this sale expected to have any impact on any restrictions on private sales? I don't know what the restrictions on private munitions sales to Guatemala are.

A. Neither do I.

Q. Does this mean that the Department has independently investigated the reports of massacres by the Guatemalan military and found them blameless?

A. I think what it means is that the Department is satisfied that there is progress in the right direction. As I already said, we want to see more progress, but the Department thinks that the progress that has been made should be rewarded, remarked upon and that this is an incentive for further movement in the right direction.

Q. Has there been an Embassy investigation of these reports of military involvement in the massacres in some of the villages?

A. Can't answer that specific question, but, as I say, the Department is satisfied overall.

On the response to Don's specific question, the appropriate legislation is the Arms Export Control Act, [3] and the Secretary of State is assigned responsibility for decisions of this type.

Q. Does this decision, and what you've said about the broader relationship—whatever the words were—presage a much larger program of the United States military assistance to Guatemala in the future? Do you see it likely developing into something a good deal bigger than this one sale?

A. We are talking specifically about these items which I listed today. I think if there were to be further requests, they would be considered on a case-by-case basis.

Q. But as you pointed out, there has been no sale of this kind for a number of years.

A. That's right.

Q. And you're saying you see progress in the right direction?

A. That's right.

Q. It seems to me it sort of suggests that this is the beginning of a new phase in the relationship. Is that the way you see it?

A. I think we're going to stand on the language we've offered you. We see progress. We look for more progress. We have before us at the moment this decision, and we've made this decision. It's kind of hypothetical to—

Q. Do you have any other decisions under study about further aid to Guatemala?

A. To Guatemala?

Q. Yes.

A. Not to my knowledge.

Q. Other than that list, have you got something else that's been submitted by that government for military assistance?

A. Not to my knowledge.

Q. Arms, ammunition?

A. Not to my knowledge.

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[3] P.L. 90-629, enacted October 22, 1968; for text, see 82 Stat. 1320; amended by P.L. 94-329, enacted June 30, 1976; for text, see 90 Stat. 729.

Q. Any U.S. military advisors or technicians? Will they be sent down to help any?

A. I have no knowledge of any such—

Q. There is an item for inspection of helicopters and maintenance. Since it's under the FMS list, does that mean it's Pentagon people?

A. I have no knowledge of any such plans.

Q. If it's an FMS sale, it presumes, as I understand it, that the Pentagon handles the whole—they become the sales agent.

A. I guess you would have to ask the Pentagon.

Q. But that is normal on something like this, that they do have people to supervise the—

A. I don't know whether it's normal. These are very small amounts. And whether personnel would necessarily be involved or where this is going to take place, I can't answer that.

Q. These sales are needed by Guatemala for internal reasons or for outside tensions?

A. Internal reasons.

Q. What is your assessement of those reasons—what is your explanation of why they need these spare parts.

A. I guess they have helicopters that don't fly, and they need parts for them.

Q. Why do they need the helicopters?

A. I guess that's part of their—

Q. Can you tell us about the insurgency? Does the United States believe that it's Cuban supported?

A. No. I can't go beyond what I've given you today.

Q. Since the government in the past has been engaged in rather bloody scorched-earth policy, what the President himself called "the scorched-Communist policy," is the Department concerned that this reward is kind of a seal of approval on those past actions by the government?

A. No. I think the Department has made its position plain in the language we've used, that the situation in Guatemala, as in a number of countries, is not ideal, but we see movement in the right direction; and having carefully considered what has taken place, the positive developments that have taken place, the decision has been made to go with these rather limited items at this time.

Q. Is there any word about those past actions? Is there any comment about what has taken place that may have improved but at one point was something the Department may not have liked?

A. I'm sure the Department has commented over a period of time, but I don't have a collection of those comments here today.

Q. Are there any conditions to any of this? Is there any date upon which they're going to look at the situation again?

A. No. As I say, this is a one-time decision, and should further requests be made they will be looked at on a case-by-case basis.

Q. You said that this decision is made following consultation with Congress. Can we assume that since you're going ahead with it you don't expect any opposition from Congress?

A. I think we should let Congressmen speak for themselves, but we have gone ahead with the decision.

Q. When did Guatemala request these spare parts?

A. I think there were differing dates for various items. I think some of them were requested back in 1979. Some of them were requested in 1981. The dates are on this list that we'll make available to you.

Q. I think you omitted the word "helicopters" in your opening statement. Are all the spare parts for the helicopters?

A. Spare parts, but there are other items on this list. There are flight uniforms; there are tools and shop equipment.

Q. But nothing for their jet fighters?

A. There are ejection capsules for the A-37B aircraft. I don't know what the A-37B is. I don't know what kind of aircraft it is.

Mr. Romberg: Prop aircraft.

Q. Twin engine?

A. I think I know what an ejection capsule is, but I'm not sure.

Q. In your human rights report [4] issued about eleven months go, it was said that the monthly death toll in Guatemala was about 300 politically-motivated killings, mostly noncombatants. Do you have a comparable figure for 1982 against which we could judge whether there has been an actual decline in the number of killings?

A. I don't today. But I think that in due course we would be once again having a human rights report which would include that material.

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Document 610

Report to the Congress by the Reagan Administration, January 21, 1983 (Extract) [5]

Presidential Certification on Progress in El Salvador

Section 728 of the International Security and Development Cooperation Act of 1981 (Public Law 97-113, approved December 29, 1981) establishes a framework for U.S. assistance to El Salvador. This statutory framework is premised on a congressional finding, set out in section 728(a)(1) as follows:

"The Congress finds that peaceful and democratic development in Central America is in the interest of the United States and of the community of American States generally, that the recent civil strife in El Salvador has caused great human suffering and disruption to the economy of that country, and that substantial assistance to El Salvador is necessary to help alleviate that suffering and to promote economic recovery within a peaceful and democratic process. Moreover, the Congress recognizes that the efforts of the Government of El Salvador to achieve these goals are affected by the activities of forces beyond its control."

In order to assure that U.S. assistance to El Salvador remains consistent with the foregoing policies, section 728(d) requires periodic certification to the Congress, at 6-month intervals beginning in January 1982, that the Government of El Salvador—

(1) is making a concerted and significant effort to comply with internationally recognized human rights;

(2) is achieving substantial control over all elements of its own armed forces, so as to bring to an end the indiscriminate torture and murder of Salvadoran citizens by these forces;

(3) is making continued progress in implementing essential economic and political reforms, including the land reform program;

(4) is committed to the holding of free elections at an early date and to that end has demonstrated its good faith efforts to begin discussions with all major political factions in El Salvador which have declared their willingness to find and implement an equitable political solution to the conflict, with such solution to involve a commitment to:

(A) a renouncement of further military or paramilitary activity; and

(B) the electoral process with internationally recognized observers.

This report, which constitutes the basis for the third such certification since section 728 was enacted, addresses how these criteria are being met and discusses the related issues of the murders and disappearances of U.S. citizens in El Salvador.

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[4] The reference is to *Country Reports on Human Rights Practices for 1981: Report Submitted to the Committee on Foreign Affairs, U.S. House of Representatives, and the Committee on Foreign Relations, U.S. Senate, by the Department of State, Ninety-seventh Congress, Second Session* (Washington, 1982), printed in February 1982, for the section on Guatemala, see pp. 441-449.

[5] Source: *Presidential Certification on Progress in El Salvador: Hearing Before the Committee on Foreign Relations, United States Senate, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 24-26. The House also held hearings on certification; see *U.S. Policy in El Salvador: Hearings Before the Subcommittees on Human Rights and International Organizations and on Western Hemisphere Affairs of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983).

Its conclusion is that, despite great obstacles, many still beyond its immediate control, the Government of El Salvador has made progress under each of the criteria specified in the law. In particular, over the last 6 months:

—Political violence continued to diminish—although at a slower rate than at the time of the previous certification—in part due to increased consciousness by the government of the importance of more effective action on human rights, including formation of new institutions for this purpose.

—Efforts to control abuses by members of the armed forces were the subject of increased attention by the Government of El Salvador and continued to show slow progress.

—The "land to the tiller" phase of agrarian reform—whose future had been a matter of concern at the time of the last certification—was vigorously re-launched, while consolidation of Phase I of the land reform continued.

—The democratic process rooted in the March 1982 Constituent Assembly elections proved resistant to minority or individual efforts at manipulation.

No major reverses were registered in the commitment of the Government of El Salvador to the criteria of certification. In addition, on October 4, 1982, El Salvador joined formally with seven democratic American states in committing itself in the Final Act of San Jose, Costa Rica, to a negotiating process on regional democratization, demilitarization, and defense of human rights. [6]

It is nonetheless clear, and this report documents, that human rights abuses continue and that the further development of democracy and the protection of human rights are not to be taken for granted. Two areas of particular concern are the systematic ineffectiveness of El Salvador's criminal justice procedures, particularly in cases originating in political violence, and the need for further improvement in military discipline, which must be strengthened within individual security force units on a nationwide basis.

These concerns emphasize the gravity of El Salvador's problems. The country faces an organized and externally-supported guerrilla war that has provoked an acute economic decline. The many divisions within Salvadoran society have been aggravated by ingrained historical reliance on force to "deal" with social disputes. During the past year, the guerrilla war has been confined primarily to the eastern third of the country, the most intense conflicts taking place outside major population and production centers. Even so, civilian casualties remained high, the Salvadoran armed forces lost 1,145 men killed and 2,398 wounded in action during 1982, and guerrilla sabotage against the economy imposed a heavy toll in unemployment, displacement and human suffering.

Despite the inadequacies identified in this report, important progress toward the objective of peaceful and democratic development has been attained during the 3 years of active U.S. assistance to El Salvador. More than 20 percent of all El Salvador's farmland has been redistributed to 65,000 poor farmworkers and their families. Civilian deaths attributable to political violence from all sides have fallen from as high as 800 a month in late 1980 to no higher than 200 a month in the last 6 months of 1982. Shortcomings in internal military discipline are slowly being countered by human rights training, improved communication, and command directives that emphasize respect for noncombatants. Representative institutions, created through direct and universal adult suffrage, are guiding the drafting of a modern constitution and preparations for presidential elections in 1984.

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[6] For text, see *American Foreign Policy: Current Documents, 1982*, p. 1470.

Document 611

Statement by the Assistant Secretary of State for Inter-American Affairs (Enders) Before the Senate Foreign Relations Committee, February 2, 1983 [7]

A Message to El Salvador

Thank you very much, Mr. Chairman. [8]

The Congress authorized military assistance to El Salvador, what we are considering here today, because the survival of that country is important to American security. What happens in the civil strife there can affect the future of the Panama Canal, it can affect the future of our immediate neighbor Mexico, and I think we are all mindful of the fact that half of our commerce passes through the Caribbean and can also be affected.

In granting military assistance, you conditioned it on periodic certification on progress in human rights, land reform, and creation of democratic institutions.

Mr. Chairman, you asked a moment ago for assessments of the certification process, [9] and I think one could argue about the procedure. It has had some side effects. Those of us who work on certifications at the other end of the avenue have found that we are not very comfortable by having to say every 180 days either that it is OK or that it is not OK and not having a third choice.

I think it is apparent that periodic certifications can have the effect of polarizing opinion here, perhaps obscuring a broad agreement that we do not want to see Central America dominated by Marxist-Leninists, but we do want to see it reform. Or they can threaten the morale of our friends in the area who fear that aid will suddenly be cut off. Or they can give an opportunity to the guerrillas who have found that a certification offensive is a natural medium for publicizing themselves. And I think we have seen a striking example of this this week.

It is also clear that such major factors as the Cuban-Nicaraguan support for guerrilla forces are left out altogether. But clearly, Congress intended to give the administration in certification a means to encourage and insure progress toward human rights, land reform, and democracy, and we have attempted to use it that way.

And no one can argue at all about the goals. Only through the emergence of legitimate institutions which all the factions can participate will the civil strife in El Salvador be overcome. Only when the political violence, including that of the government forces, has finally been ended, can representative institutions be fully effective. And only when the process of redistributing land whose ownership was once clearly unequal has been completed will there be social justice.

Now, this third certification does not say that these goals have been achieved. It does say that El Salvador continues to advance toward them. It says that the "land to the tiller" phase of agrarian reform whose future was debated in this committee room so intensively at the time of the last certification has been vigorously relaunched. This shows that in the course of the period since the election of a constituent assembly that there has indeed been a substantial reinvigoration of the land reform, where, of course, the acreage showing particularly sharp increases.

But the thing I would focus on, Mr. Chairman, is the increase in petitions, the start of the process. There has been a very vigorous relaunching of that. There are no less than in the course of the 6 months 9,638 farmers who have filed applications. And if you include family members, as we have earlier in the statistics, you are talking about a potential of 60,000 new beneficiaries from the "land to the tiller" program as these title applications go through the process.

Certification says that political violence continues to diminish, although at a slower rate than at the time of the second certification. This shows the Embassy figures that have been collected over the period. They have been collected on the same basis.

You will recall that there have been arguments about whether this is all political violence and deaths caused by political violence. I think that it clearly is not. But the figures are consistent on the same

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[7] Source: *Presidential Certification on Progress in El Salvador*, pp. 17–20. For Enders' prepared statement, see *ibid.*, pp. 20–22.

[8] Senator Charles H. Percy.

[9] For Percy's opening remarks, see *Presidential Certification on Progress in El Salvador*, pp. 1–3.

basis. And if in fact you remove deaths caused by military action, they track very closely now with those collected by other organizations.

What this shows, Mr. Chairman, is that the anarchy that characterized El Salvador 2½ years ago is gradually abating. It is abating because the government is gradually achieving control over all elements of its forces. It is also abating because the government has been relatively successful in pacifying the cities and areas around the cities. And the insurgency has largely affected 4 out of the 14 departments least populated.

The certification also says that the fragile new democracy that emerged from the massive turnout in the March elections has proved resistant to manipulation of individuals or minorities. The country is headed toward full Presidential elections a year from now, as the timetable laid out for the development of a constitution, development of political participation, and laws. And we expect that to go ahead. Little by little, democratic institutions are emerging.

And there are very serious problems. You mentioned some of them in your opening remarks. The judicial system is simply not working. Often, soldiers disciplined and turned over to it remain in detention without being prosecuted. One alleged participant in the murder of the two American land reform workers, [10] a man whose probable guilt was established by a government-appointed and army-supported commission of inquiry, was set free by judges that we believe were intimidated or bought. And two more are being detained and prosecuted, and yet another is a fugitive.

A trial process has begun, as we expected it to begin, of the accused murderers of the four American churchwomen. [11] But all of us are waiting for a verdict.

Moreover, and I would put particular emphasis on this, dissenting views in the coalition have so far prevented the government from going forward with two initiatives that are essential to moderate the conflict; a serious amnesty—and we just discussed that; and the peace commission to promote reconciliation with adversaries.

The whole concept here is one of developing political institutions in which political competition can be substituted for competition through violence. Members of the right in that country have participated in this. It is essential that members of the left also find a way so that they can be brought back into the system.

Mr. Chairman, a couple of remarks, if I could, about views that are pressed on us. Some people say to us, stop the military aid to El Salvador and the killing will end. But it will not. Cessation of the military aid would only mean that the fighting, which is now concentrated in 4 departments, would spread to 14, and the death squads and vigilantes that have gradually been brough under control will flourish again as the central government falters.

Others say we should force the government to negotiate with its adversaries and that will stop the killing. But it will not. No Latin American government has ever agreed to negotiate as an equal with its armed opposition and survived. Venezuela did not agree to do so in the 1960's. Nor did Peru or Brazil. Colombia did not this year, and it has had a long and serious insurgency.

El Salvador is not like the pre-Fidelista Cuba or the pre-sandinista Nicaragua. If we did attempt to force the Government of El Salvador to negotiate with the guerrillas as equal, we would risk its collapse, and the result could be anarchy as left, center, and right all fight for the remains. I think it is quite clear also that should in either case the guerrillas prevail, we know there will be no democracy, no respect for human rights, and no land to the individual tiller.

Mr. Chairman, I would hope that, as a result of this hearing, that there could be a message to El Salvador. I think it should be that we expect the land reform to be continued when the law authorizing it comes up for renewal this spring; that if civil justice cannot be made to work in an emergency, and clearly it is not working now, that courts of military justice be set up and used to punish those members of the security forces who are found guilty of abuses; and that the long, hard work of reconciliation must begin now with the

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[10] Reference is to Mark Pearlman and Michael Hammer, murdered in El Salvador on January 3, 1981.

[11] Ursuline Sister Dorothy Kazel, Maryknoll Sisters Ita Ford and Maura Clarke, and lay missionary Jean Donovan were murdered in El Salvador on December 2, 1980.

peace commission and with amnesty; that we expect the alleged murderers of our countrywomen and countrymen to be judged and, if found guilty, to be punished; and that the survival of El Salvador is important to us, that we will support a country which reforms itself and resists enemies that we know will not support democracy or human rights or the distribution of land to the farmer who tills it.

Thank you.

Document 612

Testimony by the Secretary of State (Shultz) Before the House Foreign Affairs Committee, February 16, 1983 (Extracts) [12]

U.S. Policy Toward El Salvador

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MR. KOSTMAYER. Mr. Secretary, last week the *Washington Post* ran a story on the first page which spoke about a debate within the State Department over a two-track policy in El Salvador, a policy of one-track continuing with the military options and second, pursuing negotiations with the guerrillas, perhaps somewhat more vigorously than has been done to date. [13]

SECRETARY SHULTZ. The story had no foundation in fact. Absolutely none.

MR. KOSTMAYER. I am disappointed to hear that.

SECRETARY SHULTZ. I don't think, Congressman, that we want to get ourselves in a position where somebody can shoot their way into a government.

Now, reconciliation and people coming into the process of government that are there is one thing. Setting out to negotiate with people who are trying to upset a duly constituted government is an entirely different matter. And I think we have to remember that these people tried to prevent an election taking place in El Salvador, and in spite of their harassment, 80 percent of the people voted in that election. And to now say let them shoot their way into that government, no dice.

MR. KOSTMAYER. Well, I am relieved to learn that the United States is opposed to people shooting their way into power in Latin America, especially delighted to know we are opposed to overturning duly constituted governments around the world.

A day or so ago, a member of this committee, Congressman Leach of Iowa, suggested that we ought to pursue the possibility of appointing a special envoy, such as we have with Mr. Habib in the Middle East, recognizing that the Middle East is a conflict between separate states and the conflict in El Salvador is within one state, a domestic insurgency. Is there any hope that that is a possibility?

SECRETARY SHULTZ. Well, of course, we have people who are working on the problems of Central America. We have able ambassadors in the region. The State Department fields a team there. We have recently added Senator Stone to that team, [14] and he is a vigorous and interesting person, and I am sure he will be helpful to us. But I think that we have plenty of resources devoted to it. Ambassador Kirkpatrick, who is well familiar in the area, took some time off and visited there. So these are all things we are doing which we think will help compose matters in that region.

MR. KOSTMAYER. And are these people—they are not pursuing in any sense even the possibility of negotiations, not necessarily negotiations which give the guerrillas a share of power in the government prior to the presidential elections in March 1984, but might give them some control over the electoral processes that would bring them into the electoral process. They really were not part of the electoral process in the election for constituent assembly, as you know.

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[12] Source: *Foreign Assistance Legislation For Fiscal Years 1984–85: Hearings Before the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1984), Part I, pp. 126–128, 134, 141–144, and 147–148. Only portions dealing with U.S. policy toward El Salvador are printed.

[13] *Washington Post*, February 10, 1983, p. A1.

[14] In February 1983, Stone was appointed Special Representative of the President for Public Diplomacy in Central America.

SECRETARY SHULTZ. That was their choice.

MR. KOSTMAYER. I think the guerrillas were somewhat alarmed and I think justifiably about their safety. You know that members of the FDR were rounded up and murdered in El Salvador. I think it is fair to say in El Salvador the guerrillas fear for their lives if they participate too openly and unconditionally in the electoral process.

SECRETARY SHULTZ. The guerrillas are busy upsetting people in El Salvador, creating hell, and shooting their way around. They are responsible for the levels of violence and difficulty in that country. And if they want to take part in a civilized way in the activities of that country, they are welcome to do so.

MR. KOSTMAYER. Well, Mr. Secretary, I am looking for a middle course here. I am not a member of the committee who favors cutting off aid to El Salvador. I am not a cosponsor of the legislation to do that. I am not a proponent of comprehensive reliance on the military solution, either. I think we need to find a middle way. And I think that your attitude regarding even the possibility of negotiations is not going to lead to any kind of solution at all.

I have to tell you, Mr. Secretary, as basically a moderate on the issue, I am deeply disappointed you don't hold out any hope. This problem will not be solved militarily. I haven't gotten a letter favoring aid. Nobody is for this. The easy vote here is to vote to cut off aid. The difficult vote is to support the administration and continue military aid as I do at this time.

But if you pursue this hardline attitude, you are going to continue to lose support, not just in the committee, but in the House itself and the country. I would urge you to give us people who share, I think, your long-range objectives, give us a little hope here. You have not done that this morning.

SECRETARY SHULTZ. This activity is supported by arms that flow from the Soviet Union through Cuba to Nicaragua and to these insurgents. I think we don't have to scratch our heads very long to figure out the purpose of that flow.

MR. KOSTMAYER. That is not the basis of the dispute in Central America, Mr. Secretary. You know that hunger and poverty and injustice and inadequate education, those are the root causes.

SECRETARY SHULTZ. We are trying to attack those causes by our programs.

I agree with you that economic development, adequate opportunity, exposure to education, and so forth, are the keys. And we are long overdue in getting after those problems in Central America as far as the U.S. policy is concerned. But it is very difficult to mount really effective programs in any of those areas when you have a shooting war going on, promoted and supported by outside forces.

Now, I am sure you are familiar with the principles enunciated in San Jose some months ago that represented views of countries in Central America and surrounding democratic countries on a basis for trying to get this situation settled down. And they are pretty good principles. Those are the principles we are supporting. They represent principles that would lead to reconciliation, principles that would say, let's get offensive armaments out of here, they represent principles that say let's not have armament shipping from one country to another.

Let's get governments on a democratic basis. Those are the issues we are supporting.

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MR. MICA. First I would like to associate myself with the comments of Mr. Kostmayer. As one who supported the administration's policy 0in El Salvador, I continue to believe the worst thing we can do is to see another Marxist state or Soviet-dominated state exist there. But probably the second worst situation may be existing there right now.

We really need to be able to say publicly that this Government, this committee has said it many times, really does oppose the abuses of human rights, the activities of the Government and so on, and a strong, strong statement, because it is becoming more and more difficult to justify this, this aid and action that we have committed to this country.

So, I would look for and hope we can get some strong indications of statements from this Government with regard to what we deem inappropriate by the present

Government in El Salvador, so that we can continue. Because I do think it would be just a tragedy to see those who are acting against the present Government to take over.

SECRETARY SHULTZ. Let me just say on that, if I may, that we are certainly very conscious of human rights abuses and pay a lot of attention to that. And, of course, we have this semiannual process by which you get a thorough review of what is going on. It is a very factual, thorough effort.

The point that I was responding to particularly with Mr. Kostmayer was not any objection to that, but rather to the idea that a negotiation should be started with a group that is causing a good bit of this struggle themselves, as distinct from a process of reconciliation in which people as individuals come into the political process, the democratic political process, and argue for their points.

MR. MICA. I understand that. I hope you understand that for me, one who has cast in some cases the deciding vote, sometimes it is represented at least in the reports that we get back that there is not the concern or the attention given to human rights, to the actions of the present Government, to the way they handle themselves, the way they control their military and so on, and there really is a strong, strong concern in this Congress and on this committee.

And we just don't think, at least I don't, that it has been reflected appropriately enough. And I hope that government there does realize it because we do want to see a democratic government established there hopefully.

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MR. LEACH. Mr. Kostmayer raised the issue of the appropriateness of pursuing a dual-track policy in our efforts in Central America. Frankly, like he, I was a little disappointed in your response. Certainly it is true that as a general rule no one supports the notion of anyone shooting their way into power, although there might be an exception or two. George Washington might have been one such exception. I think a lot of people in this room would support the Afghan Mujaheddin. However, no one likes the notion of supporting a government which is less than humane either. I don't know many Americans who are very sympathetic to the tactics of the guerrillas, but you referred to the civilized behavior of the government bureaucracy in El Salvador. I would strongly suggest that policymakers in State not only authorize the publication of the human rights report, but read it very carefully. The Government of El Salvador is quite civilized, but with several exceptions. One is curtailment of freedom of speech, one is curtailment of freedom of assembly, one is curtailment of habeus corpus and the use of techniques of terror and indiscriminate killings. In the past 5 years, 36,000 to 38,000 noncombatants have been killed in El Salvador. By contrast, in our society, that is equivalent to about 1½ million Americans.

I don't know anyone, and I hope you are not an exception to this, who believe that in the area of noncombatant deaths the majority of killings have not come from the right.

Anyway, my concern is that the United States has overemphasized, if you look at the principle of dual track, at least the image of using a stick without much emphasis on the carrot. And in this regard, it strikes me that appointing a special envoy, a la Phil Habib, in Central America, would have the advantage particularly in terms of timing, with regard to the proposed creation of a peace commission in El Salvador, of indicating our policy is not simply one of providing arms and authorizing troop deployments for maneuvers in that region. Sometimes there is an image, as well as a structure of negotiating that has to take place. As much as many Americans would like to compromise on many of these issues, there is no structure in place for us to get the results we might want to achieve.

I think a special envoy could lend to that process, and I would hope that the Department would seriously consider it.

SECRETARY SHULTZ. Thank you.

CHAIRMAN ZABLOCKI. Mr. Feighan.

MR. FEIGHAN. Mr. Secretary, let me follow up on Mr. Leach's comments with respect to El Salvador, if for no other reason but to underscore the growing concern, if not in some areas outright opposition, that members of this committee and members of this House have toward the administration's policy with respect to

Central America and in particular with respect to El Salvador.

I think that as Mr. Leach indicated we all agree with your very firm condemnation of those who would attempt to shoot themselves into power. But what we find lacking so dramatically is a balance of condemnation, a balance of condemnation against the acts of violence that the Salvadoran administration or certainly forces within that administration is committing upon its own people. Last year alone, death squads and members of the armed security forces were responsible for at least 5,500 political assassinations, probably much more, because these are only the documented cases. Yet we are supporting this Government to the extent of almost $300 million a year.

I would like to ask a two-part question. First, you condemn rightfully the violence of the left, but how would you characterize the violence of the administration that we are supporting? How would you characterize their continuance of death squads? How would you characterize their continued tolerance if not direction of the violence and brutality of members of their security forces?

More specifically, since there is an apparent intransigence on the part of the administration to redirect its policy toward El Salvador, could you tell the committee and the American people how long this war is going to take? I think the American people have a right to know that. How long does the State Department think then that the war, the singleminded pursuit of a military victory in El Salvador, is going to take; what is it going to cost, and what is going to be the loss in American prestige as we continue to support repressive and authoritarian forces that commit the kind of human rights abuses we have witnessed?

SECRETARY SHULTZ. Well, first of all, Congressman, we do submit a report every 6 months that catalogs the situation as we are able to understand it. And I think from what I can judge, quite a thorough job is done. And we try to make an assessment and submit that assessment to the Congress of whether or not there is progress—not whether or not there is exactly the kind of situation that we would like, because, obviously, there is not, but whether there is progress. And so far it has been possible to identify quite a few factors in the situation that seem to represent progress. Progress in a situation that is far from the sort of situation that we would find genuinely desirable.

Now, I think our biggest problem is the fact that you have an insurgent group that is being supplied with armaments from outside, and which is trying to disrupt that government. That presents a problem which is a severe one for that group, and we have been trying to work at it through the development and implementation of the San Jose principles that I think are excellent principles, and which we have been trying to get out in front of people and bring into effect, because it would have the effect, if they were adopted, of reducing drastically the level of violence in that area, and it would have the effect of giving people much greater opportunity to develop their economic well-being and proceed in a much more normal life. I have no way of putting a time down on this, but we certainly are following not just a two-track approach, but a multitrack approach on the one hand helping that Government have the ability to withstand the armed attacks of the insurgents, other than trying to help create conditions under which economic development can take place. And at the same time do what we can to create an environment in the region as a whole that will lead people to more sensible arrangements than now exist.

So there is an effort on the one hand to hold firm against this military challenge, from outside, and on the other hand to develop in a constructive way both economic conditions that are an improvement and a constructive alternative to what is going on at present.

MR. FEIGHAN. Mr. Secretary, I have read the reports of the administration. What I find disturbing, though, is the refusal to be candid in its assessment of what is taking place in El Salvador today, and its refusal to condemn the kind of violence from an administration that we are supporting.

In fact, as I recall, we all do, Dean Hinton, the American Ambassador to El Salvador, made a very candid statement last October criticizing the behavior of the Salvadoran Government, certainly in its tolerance of the death squads and the kind of violence taking place at its own hands.

And he was publicly reprimanded for these candid remarks. [15]

SECRETARY SHULTZ. He is supported by the President implicitly. Dean Hinton is a very respected and well-supported Ambassador.

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MR. GARCIA. Thank you, Mr. Chairman.

I will be very brief. I would like to go back to the statement on the two-track approach to negotiations in El Salvador. It was a quote from Assistant Secretary Enders. The following week, our Secretary [*Ambassador*] to the United Nations, Ms. Kirkpatrick, said we are staying the course. Are you saying that it was not the case at all. Was Mr. Enders misquoted?

SECRETARY SHULTZ. It is very difficult to conduct anything when there are reports circulating around all the time allegedly based on what some unnamed person said that are not correct. And we simply cannot spend all our time commenting on every newspaper story that comes along.

Now, the burden of the newspaper story, and what I sought to correct was that had the U.S. Government decided that what we needed now was to encourage a negotiation between the guerrilla and the Government of El Salvador, bringing the guerrillas somehow into the Government, that approach we reject. I don't know where that came from. It was not correct. And that is what I had in mind in commenting on Mr. Kostmayer. I don't think we should get ourselves in a position of allowing somebody to shoot their way into a government.

MR. GARCIA. I have no problem with—

SECRETARY SHULTZ. That doesn't mean we shouldn't have a policy of trying to bring about reconciliation, of setting out ideas for how a more peaceful and constructive situation can exist. But as for the shooting your way into the Government approach, we don't go for it.

MR. GARCIA. I appreciate that. But the Washington Post reported that it was a statement made by the Assistant Secretary of State for Inter-American Affairs, Thomas Enders. The same Mr. Enders was written about by a leading columnist in the New York Times, Sidney Schaumburg, on the last days of our fiasco in Southeast Asia. Mr. Secretary, if he was misquoted in the last days of Cambodia, is he being misquoted again? There seems to be a consistency within his inconsistency. The problem is that this story was written by a very reputable newspaper, and the story in the New York Times by a columnist, by a very reputable reporter. Both stories were talking about the same individual, at a crucial moment in American history.

SECRETARY SHULTZ. Well, I am afraid there is always a problem with people saying what somebody said to somebody. I sat in the Cabinet room the other day and heard the President initiate what I thought was a pretty good rule. I try to follow it myself. That was, if somebody in this administration has something they want to say, let them say it on the record and identify themselves. Then we know what we are talking about. But there is all this constant unnamed White House source, unnamed State Department source, unauthorized and what not. And it is a will-o'-the-wisp. So if somebody has something to say, get up and say it, the way you people all do. Let's grow up, be men and women, speak for ourselves on the record.

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[15] For text of Hinton's speech of October 29, 1982, see *American Foreign Policy: Current Documents, 1982*, p. 1479.

Document 613

Statement by President Reagan, February 22, 1983 [16]

Presentation of Freedom Foundation Award to Jamaican Prime Minister Seaga

Please be seated. It's a great pleasure to welcome all of you here this morning.

[16] Source: White House Press Release, February 22, 1983, Office of the Press Secretary to the

Continued

We're here to honor one of the foremost statesmen in our hemisphere and certainly our good friend and my good friend, the Prime Minister Edward Seaga of Jamaica.

Prime Minister Seaga's being awarded the 1982 American Friendship Medal by the Freedom's Foundation for his efforts to further democratic institutions and the free market economy and for his courageous leadership in the cause of freedom for all people. Few people are more deserving of this tribute than Prime Minister Seaga. People often say that freedom is a worthy ideal and it works. The proof of this axiom is reflected in the achievements in Jamaica of the man we're honoring today.

Before Prime Minister Seaga, there was violence and lawlessness. Now, there's peace and growing respect for the law. Before, there was despair about the future. Now, there is hope and expectation of better times ahead. In the recent past, the economy was declining. And now, through free enterprise, it is growing. And a short time ago few new jobs were being created and now there are significant employment opportunities. Without the political and economic freedom characteristic of democratic societies, these results would have been impossible.

Jamaica's demonstrating to its neighbors who share its structural economic problems and resulting political polarization that conditions of freedom and economic opportunity lead to greater prosperity and peace for all. Prime Minister Seaga's accomplishments are not limited to what he's done in Jamaica in just over 2 years. He has long opposed totalitarian inroads in the Caribbean Basin. He has fought long for the adherence of Basin states to the principles of free elections, respect for basic human rights and other democratic ideals that we all cherish.

Long-term prosperity cannot be achieved without internal conditions of political freedom and economic opportunity. But external assistance is often necessary to help overcome structural economic problems that impede development. This is particularly true in Caribbean Basin nations whose small economies are especially vulnerable to external shocks. Prime Minister Seaga's ideas about the need for outside trade and investment incentives to foster the region's economic development were an important intellectual force contributing to the development of my Caribbean Basin Initiative/CBI proposal to Congress last year.

Prime Minister Seaga has been the CBI's most persistent and eloquent Caribbean Initiative advocate and spokesman. And I am deeply disappointed that the CBI did not pass the Senate last December. [17] Last week, I sent up to Congress some legislation—on Friday as a matter of fact—on the CBI as one of our highest priorities. [18] And I am hopeful that it will pass quickly in this session.

A footnote in the text printed in *Weekly Compelation of Presidential Documents* inicates that the Congress knows this legislation is essential to help the Basin countries cope with economic difficulties not of their own making if their people are to have a better future.

In giving this prestigious award to Prime Minister Seaga, the Freedoms Foundation is recognizing a true friend of people everywhere who desire a better life through freedom and economic opportunity. And for that reason, he is, also, a friend of the United States.

It is now my great pleasure to present Dr. Robert Miller, the President of the Freedoms Foundation, who will present the American Friendship Medal to Prime Minister Seaga.

President; printed also in *Weekly Compilation of Presidential Documents*, February 28, 1983, pp. 268–269. The ceremony was held in the State Dining Room of the White House. The President began his remarks at 10:02 a.m.

[17] Regarding congressional action on the Caribbean Basin Initiative during 1982, see *Congress and Foreign Policy, 1982*, pp. 58–67.

[18] For the President's message to the Congress, February 18, 1983, see *Weekly Compilation of Presidential Documents*, February 21, 1983, pp. 253–254.

Document 614

Address by President Reagan Before the Annual Meeting of the National Association of Manufacturers, March 10, 1983 [19]

"It Isn't Nutmeg That's at Stake in the Caribbean and Central America. It Is the U. S. National Security"

Thank you. (Applause) Thank you, Bernie, for your kind introduction and all of you for your warm welcome. And Madam Secretary and distinguished guests here at the head table and you ladies and gentlemen, I'm delighted to be here. I know that you and your President, Sandy Trowbridge, and the entire NAM organization have been an enormous help during the last two years, not only with advice and counsel but with a roll-up-your-sleeves effort to help pass the economic recovery programs that are ending this recession. And with your assistance we also were able to negotiate a bipartisan compromise solution to save our Social Security System. (Applause.)

You know, we didn't come to Washington at an ideal time, and we've—(laughter)—certainly had our share of problems. But the signs of recovery are springing up all around us. And there's no mistaking the fact that, at long last, America is on the mend—and the courage and the vision of the people and institutions that are represented here today deserve a big share of the credit for this hard-earned but inflation-free recovery. So, on behalf of all your fellow citizens who have been freed from the ravages of runaway inflation and can look again to a future of better times and then new opportunity, I thank you. (Applause.)

America is meeting her challenge here at home. But there are other challenges, equally important, that we must face. And today I'd like to talk to you about one of them.

Late last year I visited Central America. [20] Just a few weeks ago, our Ambassador, Jeane Kirkpatrick, also toured the area. And in the last few days, I have met with leaders of the Congress to discuss recent events in Central America and our policies in that troubled part of the world. So, today I'd like to report to you on these consultations, and why they're important to all of us.

The nations of Central America are among our nearest neighbors. El Salvador, for example, is nearer to Texas than Texas is to Massachusetts. Central America is simply too close, and the strategic stakes are too high, for us to ignore the danger of governments seizing power there with ideological and military ties to the Soviet Union.

Now, let me just show you how important Central America is. Here—and you can't see it from over there because I'm in the way—but here at the base of Central America is the Panama Canal. Half of all the foreign trade of the United States passes through either the Canal—(laughter)— [21] I've been dying to give you all an economic lesson, and you show up for geography. (Laughter and applause.) But as I say, half of that trade passes either through the Canal or the other Caribbean sea lanes on its way to or from our ports.

And, of course, to the no h, as you can see, is Mexico, a country of enormous human and material importance, with which we share 1,800 miles of peaceful frontier.

And between Mexico and the Canal lies Central America. As I speak to you today, its countries are in the midst of the gravest crisis in their history. Accumulated grievances, social and economic change

[19] Source: White House Press Release, March 10, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, March 14, 1983, pp. 376-382. The President spoke at noon at the Washington Hilton Hotel, after an introduction by Bernard J. O'Keefe, chairman of the association. The source text is the text as delivered. All brackets are in the source text.

[20] President Reagan departed Washington, November 30, 1982, for a trip to Brazil, Colombia, Costa Rica, and Honduras. He returned to the United States on December 4.

[21] A footnote in the text printed in *Weekly Compilation of Presidential Documents* indicates that the laughter was a reaction of the audience to the rushing of photographers from one side of the podium to the other in order to photograph the President and the map.

are challenging traditional ways. New leaders with new aspirations have emerged who want a new and better deal for their peoples. And that is good.

The problem is that an aggressive minority has thrown in its lot with the Communists, looking to the Soviets and their own Cuban henchmen to help them pursue political change through violence. Nicaragua, right here, has become their base. And these extremists make no secret of their goal. They preach the doctrine of a quote "revolution without frontiers" unquote. Their first target is El Salvador.

Important? Well, to begin with, there's the sheer human tragedy. Thousands of people have already died, and unless the conflict is ended democratically, millions more could be affected throughout the hemisphere. The people of El Salvador have proved they want democracy. But if guerrilla violence succeeds, they won't get it. El Salvador will join Cuba and Nicaragua as a base for spreading violence to Guatemala, Honduras, Costa Rica—probably the most democratic country in the world today. The killing will increase and so will the threat to Panama, the Canal, and ultimately Mexico. In the process, vast numbers of men, women and children will lose their homes, their countries and their lives.

Make no mistake. We want the same thing the people of Central America want—an end to the killing. We want to see freedom preserved where it now exists and its rebirth where it does not. The Communist agenda, on the other hand, is to exploit human suffering in Central America to strike at the heart of the Western Hemisphere. By preventing reform and instilling their own brand of totalitarianism, they can threaten freedom and peace and weaken our national security.

I know a good many people wonder why we should care about whether Communist governments come into power in Nicaragua, El Salvador, or other such countries as Costa Rica and Honduras, Guatemala, and the islands of the Caribbean. One columnist argued last week that we shouldn't care because their products are not that vital to our economy.

That's like the argument of another so-called expert that we shouldn't worry about Castro's control over the island of Grenada—their only important product is nutmeg.

Well, let me just interject right here. Grenada, that tiny little island with Cuba at the west end of the Caribbean, Grenada at the east end, that tiny little island is building now, or having built for it, on its soil and shores, a naval base, a superior air base, storage bases and facilities for the storage of munitions, barracks and training grounds for the military. I'm sure all of that is simply to encourage the export of nutmeg.

People who make these arguments haven't taken a good look at a map lately or followed the extraordinary buildup of Soviet and Cuban military power in the region or read the Soviets discussions about why the region is important to them and how they intend to use it.

It isn't nutmeg that's at stake in the Caribbean and Central America. It is the U.S. national security.

Soviet military theorists want to destroy our capacity to resupply Western Europe in case of an emergency. They want to tie down our attention and forces on our own southern border and so limit our capacity to act in more distant places, such as Europe, the Persian Gulf, the Indian Ocean, the Sea of Japan.

Those Soviet theorists noticed what we failed to notice, that the Caribbean Sea and Central America constitute this nation's fourth border. If we must defend ourselves against large, hostile military presence on our border, our freedom to act elswhere to help others and to protect strategically vital sea lanes and resources has been drastically diminished.

They know this. They've written about this.

We've been slow to understand that the defense of the Caribbean and Central America against Marxist-Leninist takeover is vital to our national security in ways we're not accustomed to thinking about.

For the past three years, under two Presidents, the United States has been engaged in an effort to stop the advance of communism in Central America by doing what we do best, by supporting democracy. For 3 years, our goal has been to support fundamental change in this region, to replace poverty with development and dictatorship with democracy.

These objectives are not easy to obtain. We're on the right track. Costa Rica continues to set a democratic example, even in the midst of economic crises and Nicaraguan intimidation. Honduras has gone from military rule to a freely-elected civilian government. Despite incredible obstacles, the democratic center is holding in El Salvador, implementing land reform and working to replace the politics of death with a life of democracy.

So the good news is that our new policies have begun to work. Democracy, with free elections, free labor unions, freedom of religion, and respect for the integrity of the individual, is the clear choice of the overwhelming majority of Central Americans.

In fact, except for Cuba and its followers, no government and no significant sector of the public anywhere in this hemisphere wants to see the guerrillas seize power in El Salvador.

The bad news is that the struggle for democracy is still far from over. Despite their success in largely eliminating guerrilla political influence in populated areas and despite some improvements in military armaments and mobility, El Salvador's people remain under strong pressure from armed guerrillas controlled by extremists with Cuban-Soviet support.

The military capability of these guerrillas—and I would like to stress "military" capability—for these are not peasant irregulars. They are trained, military forces. This has kept political and economic progress from being turned into the peace the Salvadoran people so obviously want.

Part of the trouble is internal to El Salvador. But an important part is external: the availability of training, tactical guidance, and military supplies coming into El Salvador from Marxist Nicaragua. I am sure you have read about the guerrillas capturing rifles from government, national guard units. And recently, this has happened. But much more critical to guerrilla operations are the supplies and munitions that are infiltrated into El Salvador by land, sea, and air—by pack mules, by small boats, and by small aircraft.

These pipelines fuel the guerrilla offensives and keep alive the conviction of their extremist leaders that power will ultimately come from the barrels of their guns. Now, all this is happening in El Salvador just as a constitution is being written, as open presidential elections are being prepared, and as a peace commission—named last week—has begun to work on amnesty and national reconciliation to bring all social and political groups into the democratic process.

It is the guerrilla militants who have, so far, refused to use democratic means, have ignored the voice of the people of El Salvador, and have resorted to terror, sabotage, and bullets instead of the ballot box. During the past week, we have discussed all of these issues and more with leaders and Members of the Congress. Their views have helped shape our own thinking. And I believe that we have developed a common course to follow.

Here are some of the questions that are raised most often. First, how bad is the military situation? It is not good. Salvadoran soldiers have proved that, when they are well trained, led, and supplied, they can protect the people from guerrilla attacks. But so far, U.S. trainers have been able to train only one soldier in ten. There is a shortage of experienced officers. Supplies are unsure. The guerrillas have taken advantage of these shortcomings. For the moment at least, they have taken the tactical initiative just when the sharply limited funding Congress has so far approved is running out.

A second vital question is: Are we going to send American soldiers into combat? And the answer to that is a flat no.

A third question: are we going to Americanize the war with a lot of U.S. combat advisors? And again, the answer is, no.

Only Salvadorans can fight this war, just as only Salvadorans can decide El Salvador's future. What we can do is help to give them the skills and supplies they need to do the job for themselves.

That mostly means training. Without playing a combat role themselves and without accompanying Salvadoran units into combat, American specialists can help the Salvadoran army improve its operations.

Over the last year, despite manifest needs for more training, we have scrupulously kept our training activities well below our self-imposed numerical limit on numbers of trainers. We are currently reviewing what we can do to provide the most effective training possible to deter-

mine the minimum level of trainers needed, and where the training should best take place. We think the best way is to provide training outside of El Salvador, in the United States or elsewhere, but that costs a lot more. So the number of U.S. trainers in El Salvador will depend upon the resources available.

Question four: are we seeking a political or a military solution? Despite all I and others have said, some people still seem to think that our concern for security assistance means that all we care about is a military solution. That's nonsense. Bullets are no answer to economic inequities, social tensions, or political disagreements. Democracy is what we want, and what we want is to enable Salvadorans to stop the killing and sabotage so that economic and political reforms can take root. The real solution can only be a political one. This reality leads directly to a fifth question.

Why not stop the killings and start talking? Why not negotiate? Well, negotiations are already a key part of our policy. We support negotiations among all the nations of the region to strengthen democracy, to halt subversion, to stop the flow of arms, to respect borders, and to remove all the foreign military advisors, the Soviets, the Cubans, the East Germans, the PLO, as well as our own from the region.

A regional peace initiative is now emerging. We have been in close touch with its sponsors and wish it well, and we support negotiations within nations aimed at expanding participation in democratic institutions, at getting all parties to participate in free, nonviolent elections.

What we oppose are negotiations that would be used as a cynical device for dividing up power behind the people's back. We cannot support negotiations which instead of expanding democracy try to destroy it, negotiations which would simply distribute power among armed groups without the consent of the people of El Salvador.

We made that mistake some years ago in Laos when we pressed and pressured the Laotian government to form a government, a co-op with the Pathet Lao, the armed guerrillas who had been doing what the guerrillas are doing in El Salvador. And once they had that tripartite government they didn't rest until those guerrillas, the Pathet Lao had seized total control of the government of Laos. The thousands of Salvadorans who risked their lives to vote last year should not have their ballots thrown into the trash heap this year by letting a tiny minority on the fringe of a wide and diverse political spectrum shoot its way into power.

No, the only legitimate road to power, the only road we can support, is through the voting booth so that the people can choose for themselves; choose, as His Holiness the Pope said Sunday, "far from terror and in a climate of democratic conviviality."[22] This is fundamental, and it is a moral as well as a practical belief that all free people of the Americas share.

Having consulted with the Congress, let me tell you where we are now and what we'll be doing in the days ahead. We welcome all the help we can get. We will be submitting a comprehensive, integrated economic and military assistance plan for Central America.

First, we will bridge the existing gap in military assistance. Our projections of the amount of military assistance needed for El Salvador have remained relatively stable over the past two years. However, the Continuing Resolution budget procedure in the Congress last December led to a level of U.S. security assistance for El Salvador in 1983 below what we'd requested, below that provided in 1982, and below that requested for 1984. I'm proposing that $60 million of the monies already appropriated for our worldwide military assistance programs be immediately reallocated to El Salvador. Further, to build the kind of disciplined, skilled army that can take and hold the initiative while respecting the rights of its people, I will be amending my supplemental that is currently before the Congress to reallocate $50 million to El Salvador. And these funds will be sought without increasing the overall amount of the supplemental that we have already presented to the Congress. And, as I've said, the focus of this assistance will remain the same: to train Salvadorans so that they can defend themselves. Because El Salvador's problems are not unique in this region, I will also be asking for an additional $20 million for regional security assistance. These

[22] For text of Pope John Paul II's remarks in El Salvador on March 6, 1983, see Foreign Broadcast Information Service, *Daily Report: Latin America*, March 7, 1983, pp. P5–P8.

funds will be used to help neighboring states to maintain their national security, and will, of course, be subject to full Congressional review.

Secondly, we will work hard to support reform, human rights, and democracy in El Salvador. Last Thursday, the Salvadoran government extended the land reform program which has already distributed 20 percent of all the arable land in the country and transformed more than 65,000 farm workers into farm owners. What they ask is our continued economic support while the reform is completed. And we will provide it. With our support, we expect that the steady progress toward more equitable distribution of wealth and power in El Salvador will continue.

And, third, we will, I repeat, continue to work for human rights. Progress in this area has been slow, but sometimes—sometimes disappointing. But human rights means working at problems, not walking away from them. To make more progress, we must continue our support, advice, and help to El Salvador's people and democratic leaders. Lawbreakers must be brought to justice, and the rule of law must supplant violence in settling disputes. The key to ending violations to human rights is to build a stable, working democracy. Democracies are accountable to their citizens. And when abuses occur in a democracy, they cannot be covered up. With our support, we expect the Government of El Salvador to be able to move ahead in prosecuting the accused and in building a criminal justice system applicable to all and ultimately accountable to the elected representatives of the people.

And I hope you've noticed that I was speaking in millions, not billions. And that after two years in federal office is hard to do. (Laughter.) In fact, there are some areas of government where I think they spill as much as I've talked about here over a weekend.

But, fourth, the El Salvador Government proposes to solve its problems the only way they can be solved fairly—by having the people decide. President Magana has just announced nationwide elections moved up to this year, calling on all to participate, adversaries as well as friends. To help political adversaries participate in the elections, he has appointed a Peace Commission, including a Roman Catholic bishop and two independents. And he has called on the Organization of American States and the international community to help. We were proud to participate, along with representatives of other democratic nations, as observers in last March's Constituent Assembly elections. We would be equally pleased to contribute again to an international effort, perhaps in conjunction with the Organization of American States, to help the government ensure the broadest possible participation in the upcoming elections, with guarantees that all, including critics and adversaries, can be protected as they participate.

Let me just say a word about those elections last March. A great worldwide propaganda campaign had, for more than a year, portrayed the guerrillas as somehow representative of the people of El Salvador. We were told over and over again that the government was the oppressor of the people.

Came the elections, and suddenly it was the guerrilla force threatening death to any who would attempt to vote. More than 200 busses and trucks were attacked and burned and bombed in an effort to keep the people from going to the polls. But they went to the polls; they walked miles to do so. They stood in long lines for hours and hours. Our own Congressional observers came back and reported in one instance that they saw themselves—of a woman who had been shot by the guerrillas for trying to get to the polls, standing in the line, refusing medical attention until she had had her opportunity to go in and vote.

More than 80 percent of the electorate voted. I don't believe here in our land, where voting is so easy, that we've had a turnout that great in the last half century. They elected the present government and they voted for order, peace and democratic rule.

Finally, we must continue to help the people of El Salvador and the rest of Central America and the Caribbean to make economic progress. More than three-quarters of our assistance to this region has been economic. Because of the importance of economic development to that region, I will ask the Congress for $65 million in new monies and the reprogramming of $103 million from already appropriated worldwide funds for a total of $168 million in increased economic assistance for Central America. And to make sure that this assistance is as productive as

possible, I'll continue to work with the Congress for the urgent enactment of the long-term opportunities for trade and free initiative that are contained in the Caribbean Basin Initiative.

In El Salvador and in the rest of Central America, there are today thousands of small businessmen, farmers, and workers who have kept up their productivity as well as their spirits in the face of personal danger, guerrilla sabotage, and adverse economic conditions. With them stand countless national and local officials, military and civic leaders and priests who have refused to give up on democracy. Their struggle for a better future deserves our help. We should be proud to offer it. For, in the last analysis, they're fighting for us, too.

By acting responsibly and avoiding illusory shortcuts, we can be both loyal to our friends and true to our peaceful democratic principles. A nation's character is measured by the relations it has with its neighbors. We need strong, stable neighbors with whom we can cooperate. And we will not let them down.

Our neighbors are risking life and limb to better their lives, to improve their lands and to build democracy. All they ask is our help and understanding as they face dangerous armed enemies of liberty and that our help be as sustained as their own commitment.

Now, none of this will work if we tire or falter in our support. I don't think that's what the American people want or what our traditions and faith require. Our neighbors' struggle for a better future and that struggle deserves our help and we should be proud to offer it.

We would in truth be opening a two-way street. We have never, I believe, fully realized the great potential of this Western Hemisphere. Oh, yes, I know in the past we've talked of plans. We've gone down there every once in a while with a great plan somehow for our neighbors to the South. But it was always a plan in which we, the big colossus of the North would impose on them. It was our idea.

Well, on my trip to Central and South America, I asked for their ideas. I pointed out that we had a common heritage. We'd all come as pioneers to these two great continents. We worship the same God. And we'd lived at peace with each other longer than most people in other parts of the world.

There are more than 600 million of us calling ourselves Americans, North, Central, and South. We haven't really begun to tap the vast resources of these two great continents.

Without sacrificing our national sovereignties, our own individual cultures or national pride, we could as neighbors make this Western Hemisphere, our hemisphere, a force for good such as the old world has never seen. But it starts with the word neighbor. And that is what I talked about down there and sought their partnership, their equal partnership in we, of the Western Hemisphere, coming together to truly develop fully the potential this hemisphere has.

Last Sunday, His Holiness Pope John Paul II prayed that the measures announced by President Magana would "contribute to orderly and peaceful progress" in El Salvador, progress "founded on the respect," he said, "for the rights of all, and that all have the possibility to cooperate in a climate of true democracy for the promotion of the common good."

My fellow Americans, we in the United States join in that prayer for democracy and peace in El Salvador, and we pledge our moral and material support to help the Salvadoran people achieve a more just and peaceful future. And in doing so, we stand true to both the highest values of our free society and our own vital interests.

Thank you and God bless you. (Applause.)

Document 615

Statement by the Representative at the United Nations (Kirkpatrick) Before the U.N. Security Council, March 23, 1983 [23]

"Somocismo and Sandinismo Turn Out Not To Be Unlike Each Other"

Sir, may I begin, as in our custom, by congratulating you on your assumption of the Presidency of the Security Council for this month and expressing what I think you appreciate—the very great esteem of my Government for the democratic traditions, in theory and in practice, for which your country stands as an example to us all. I desire also to express my Government's gratitude to the President of the Security Council for the past month, the Permanent Representative of the Union of Soviet Socialist Republics, Oleg Troyanovsky, for his responsible and expeditious conduct of the office of President of the Security Council.

We are living through an extraordinary period. One of the characteristics of this extraordinary period in which we now find ourselves is a kind of proliferation of rights. New rights unprecedented in human history are invented and claimed and, as with all rights, outrage is expressed when these new rights are violated.

Twice this month we have heard a new right invoked. We have heard one country invoke the "right to aggression", and we have heard outrage expressed when its "right to overthrow a neighbouring Government" was violated. We have heard the same Government outraged again when its "right to occupy a neighbouring territory" was violated.

Now comes the Government of Nicaragua claiming yet a new right—the "right of repression of its own people", with impunity and with immunity from any consequences flowing therefrom. The Government of Nicaragua has suggested today that someone is violating its "right to repress its people" and perhaps even its "right actively to attempt to overthrow neighbouring Governments and to direct revolutions from its own territory against its neighbours", and it has come to the international community in this international forum appealing that we protect it against the frustration and bitterness of its own people while it builds a harsh new military dictatorship to rule those people, to repress those people, to which it so clearly promised democracy.

That is precisely the appeal of the Nicaraguan Government to this Council today: protect Nicaragua in the free exercise of its "right to repression", repression at home, aggression abroad.

This is a new right, which we have not heard invoked before, but the myths by which it is accompanied are, unfortunately, already familiar. Those myths are as follows: that Nicaragua is a democratic revolution, armed for the sole purpose of liberating the Nicaraguan people from the yoke of dictatorship; that Nicaragua wants to live at peace with its neighbours; and that Nicaragua is about to be invaded by the United States or Honduras or someone.

I think these three myths, because of their crucial role in the extraordinary arguments which are now recurrent, made by the Government of Nicaragua, deserve a bit of examination by this Council as we consider the proposals before us today and an appropriate response to those.

First, the myth that the Sandinista military dictatorship is a democratic revolution. God knows the people of Nicaragua have longed for a democratic revolution. They joined, almost unanimously, in a fight against the heavy-handed dictatorship of Anastasio Somoza. They joined in the struggle because they were promised democracy. The promises that the so-called Sandinista Junta made to the people of Nicaragua and to the Organization of American States (OAS) are very clear. I think those promises are interest-

[23] Source: U.N. document S/PV.2420. At eight meetings, March 23, 24, 25, 28, and 29, 1983, the U.N. Security Council considered a complaint by Nicaragua about "the grave increase in acts of aggression against Nicaragua and the Sandinista people's revolution;" text of the complaint is in U.N. document S/15651 (1983). At the end of the last meeting, the President of the Security Council, Sir John Thomson (United Kingdom), ruled that the "present stage" of the consideration of the item had been concluded.

ing today, so interesting that we should examine them. They are expressed with special clarity in a letter addressed by the Sandinist National Liberation Front (FSLN) to the Organization of American States, dated 17 July 1979.[24] That is the same month that the FSLN became the Government of Nicaragua. It was on the basis of those solemn promises, voluntarily offered to the Organization of American States, that the OAS and a good many others offered their support to the FSLN in its efforts to become the Government of Nicaragua. I should like to read that letter. It says:

"Mr. Secretary-General"

—that is, the Secretary-General of the Organization of American States—

"We are pleased to make available to you and to the Ministers of Foreign Affairs of the member States of the Organization a document containing our plan to secure peace in our heroic, long-suffering country, at the moment when the people of Nicaragua is consolidating its political and military victory over the dictatorship.

"First, we have developed this plan on the basis of the resolution of the seventeenth meeting of consultations on June 23 1979—a resolution that was historic in every sense of the word: it demands the immediate replacement of the genocidal Somoza dictatorship, which is now nearing its end, and backs the installation of a broadly representative, democratic government in our country, such as the one we have formed.[25] While saying that the solution to this problem is exclusively within the jurisdiction of the people of Nicaragua, it appeals to hemispheric solidarity to preserve our people's right to self-determination. We are presenting to the community of nations of the hemisphere, in connection with our plan to secure peace, the goals that have inspired our Government ever since it was formed. They have been set forth in our documents and political declarations and we wish to ratify some of them here:

"1) our firm intention to establish full observance of human rights in our country, in accordance with the United Nations Universal Declaration of the Rights of Man and the Charter of Human Rights of the OAS—our observance of human rights has already been made plain by the way in which the Sandinista National Liberation Front has treated hundreds of prisoners of war—our Government thus invites the Inter-American Commission on Human Rights to visit our country as soon as we are installed in our national territory;

"2) our wish that our installation in Nicaragua come about through peaceful and orderly transition—the Government of National Reconstruction would take it as a gesture of solidarity if the Foreign Ministers of the hemisphere were to visit our country and we hereby extend to them a fraternal invitation to do so;

"3) our decision to embrace civil justice in our country and to try those incriminated of crime against the people according to the regular law—by their heroic struggle the people have won themselves the right to let justice prevail for the first time in half a century and will do so within the framework of the law, without a spirit of vengeance and without indiscriminate reprisals;

"4) those collaborators with the régime that may wish to leave the country and are not responsible for the genocide we have suffered or for other serious crimes that demand trial by the civil courts may do so with all necessary guarantees which the Government of National Reconstruction authorizes as of now; the departure of these persons may be supervised by the Inter-American Commission on Human Rights and by the International Red Cross;

"5) the plan to call the first free elections our country has known in this century so that Nicaraguans can elect their representatives to the city councils and to a constituent assembly, and later elect the country's highest authorities.

"Mr. Secretary, it is now up to the Governments of the hemisphere to speak so that the solidarity with the struggle of our people that was carried

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[24] For a slightly different text of this letter, as well as other relevant documents, see Organization of American States, Inter-American Commission on Human Rights, *Report on the Situation of Human Rights in the Republic of Nicaragua*, OAS document OEA/Ser.L/V/II.53, doc. 25 (Washington, 1981), pp. 4–5. According to this source, the letter is dated July 12, 1979.

[25] For text of this resolution, see *ibid.*, pp. 2–3.

forward in the name of democracy and justice can be possible in Nicaragua and become fully effective.

"We ask that you transmit the text of this letter to the Foreign Ministers of the OAS.

"Yours most respectfully, Junta of the Government of National Reconstruction, Violeta de Chamorro, Sergio Ramirez Mercado, Alfonso Robelo Callejas, Daniel Ortega Saavedra, Moises Hassan."

It is an interesting letter. Those were presumably serious commitments, seriously entered into: commitments to respect for human rights; commitments to respect for the freedom of all Nicaraguans; including minorities; commitments to free election; commitments to a government of civil law—a rule of law, regular civil law. What happened to those commitments? We cannot be indifferent to that fact.

First, let us look at the commitment to respect human rights, including, of course, that most basic human, democratic right, the right to opposition, the right to autonomous activity, which is the very basis of a pluralist society. It is particularly sad to see what happened to those persons who joined the FSLN in establishing this Government and in making those commitments. Take, for example, the private sector. In October 1981, the leaders of COSEP, the umbrella private-sector organization established to co-operate with the Sandinista revolution, were arrested and gaoled for four months because they issued a statement criticizing official policy. Sandinista expropriation of private enterprise raised the Government's share of the economy progressively, but the offence of the leaders of COSEP was not to resist that progressive incorporation of the economy into the Government but to express—presumably—criticisms of it in exercise of their right of free speech. In November 1980, Sandinista security forces murdered the private-sector leader, Jorge Salazar, who was unarmed, in what everyone in the world understood to be a transparent set-up. The private-sector organization, COSEP, and the independent political parties at that stage withdrew from the Council of State in protest. But it was not only the private sector that suffered—very quickly—the repressive policies of the Sandinista Government; labour unions were harassed when they tried to resist being harnessed and incorporated into the State; their leaders were beaten and arrested; tightly controlled government, labour, and peasant organizations were established and promptly lost a good many of their members.

The independent press, whose rights were promised solemnly by the FSLN on assuming office, was quickly repressed, with the electronic media incorporated into a tight vise of Government control, and all organs of the newspapers, except for a single independent voice, *La Prensa*, which for years was the opposition to the Somoza Government, were co-ordinated, as it were, by the Government. Since then *La Prensa* has repeatedly been shut down, and is heavily censored.

Government-controlled newspapers and media published news stipulated by the Ministry of the Interior. *La Prensa* is subject to prior censorship; frequently it is forbidden to publish interviews and news, and it is always virtually forbidden to publish criticism. It is also forbidden to publish information concerning what it is forbidden to publish.

Churches in Nicaragua have been progressively repressed. Archbishop Obando y Bravo, who had, like the COSEP leaders, been a supporter of the revolution and a strong opponent of the Somoza régime, was banned from performing mass on television. The Catholic Church radio was closed down several times and eventually incorporated into a system of Government control. Repeatedly clergy were subjected to really quite humiliating attacks, and the Sandinista attempt to organize a parallel people's church has followed unsuccessful efforts to intimidate the hierarchy of the Roman Catholic Church of Nicaragua.

A variety of Protestant sects, including Evangelicals, Mormons, Adventists, Jehovah's Witnesses, and Moravians have been attacked; their centres have been taken over by Sandinista Defence committees and their pastors have been harassed. At least 55 Moravian churches on the Atlantic coast have been burned.

It is very important to know that of the thousands of Nicaraguans today living in exile in Honduras, Costa Rica, Panama, the United States, Venezuela and all sorts of other countries, a very large number supported, assisted and joined the Sandinistas in their opposition to the Somoza Government. Among these dissidents is one signatory of the letter I have read out,

Alfonso Robelo, and another, Violeta Chamorro, has long since very quickly resigned from the Government and continues to be engaged in the struggle to maintain some sort of voice of freedom inside Nicaragua.

In addition to this systematic persecution of opposition forces the Government of Nicaragua has progressively violated its commitments to elections and, of course, to freedom of opposition. It has grown progressively intolerant, disillusioning a very large number of its original leadership.

On 8 April 1982, for example, after nine months underground, former FSLN Commander Eden Pastora, the famous Commander Zero, denounced the Sandinista régime's ties to Cuba and the Soviet Union and announced that his own exile organization would challenge the FSLN's control of Nicaragua. These are the people we are today hearing described as Somozistas, I think. These so called Somozistas were in a very large number of cases democrats determined precisely to free Nicaragua from any kind of dictatorial control and to establish democratic government in that society, and they have quite naturally been dismayed as their goals have receded ever further into the future as Nicaragua's government has become progressively an even more repressive military dictatorship headed by some nine military commanders who today govern the country with an iron grip.

There is, I think, no better expression of the spirit of intolerance with which Nicaragua is governed today than the threat of Comandante Humberto Ortega when he asserted that the opposition would be hanged from lampposts outside of Managua.

The promise of elections receded ever further, and finally it was announced that elections would be held in 1985, or not before 1985, and that the discussion of candidates for those elections would be banned until some time in 1984 and punishable by imprisonment—not under ordinary civil law at all but a special martial law that accompanied the state of siege.

The repression against the Catholic Church continued apace. I think its spirit was most clearly expressed in the response to the visit of the Pope. Pope John Paul II has of course been dismayed by the efforts of the Nicaraguan Government to establish a kind of puppet popular church. That has also dismayed Catholics throughout the region and I suppose indeed throughout the world.

In preparation for the Pope's visit an effort was made to delay papal communications and finally to diminish the crowds permitted to hear the Papal Mass. The British magazine *The Economist* noted that the Sandinistas

> "packed the Papal Mass in Managua with their supporters, who heckled the visitor. He was spirited out of Managua to the provinces in order to keep him from appearing too often alongside Managua's anti-Sandinista Archbishop Obando y Bravo. The Pope tried his own brand of passive resistance. The picture showing him with arms folded and bowed in disapproval as Commander Ortega delivered his tirade could not be kept from the front pages. However, most ordinary Nicaraguans were kept from contact with the Pope." [26]

Perhaps the clearest expression of the attitude of the official Sandinista Government regarding the Pope's visit was made in a radio broadcast from, of course, a Government radio station, in which one of the reporters said:

> "Despite the fame ascribed to Vatican diplomacy, the Pope engaged in political aggression, delivering a speech that was really political aggression as well as aggression against the people. This is why the people responded as they did." [27]

The Nicaraguan Government has repressed so many sectors of its own population that it hardly seems fair to single out just one sector; yet it remains true that the harshness with which they have treated the indigenous peoples of the Atlantic Coast, the Miskito, Suma and Rama Indians cannot go uncommented upon in any group seriously concerned about the nature of a Government of Nicaragua.

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[26] *Economist* 286 (March 12, 1983): 13–14. The last sentence of the quoted passage should read: "But how many ordinary Nicaraguans heard, through the barrage, his plea for individual rights?"

[27] For this statement, see Foreign Broadcast Information Service, *Daily Report: Latin America*, March 7, 1983, p. P27.

The Miskito Indians were forcibly driven from their ancestral homes, their churches burned, their villages burned and in a good many cases their children forcibly separated from them. Thousands fled to Honduras, where they today live in refugee camps—deep inside Honduras, by the way, and not on that border any more. Those who did not flee have been herded by the Nicaraguan Government into internment camps where they are overcrowded and underoccupied, and disease is rampant.

Actually, the Foreign Minister of Nicaragua [28] himself said that it may be just to level some criticism against the first phase, as he called it, of the settlement of the Miskito Indians in the north of the country. The resettlement was not carried out with as much force as has sometimes been claimed said the Nicaraguan Foreign Minister, but nonetheless the mistake was that it happened too quickly; greater attention should have been paid to explaining the necessity for resettlement to the Miskitos. No consent was sought from the Miskitos no explanations were offered. The Miskitos were simply forced to abandon their homes.

The charges that Nicaragua has made against the United States are no more persuasive than the commitments it made to the Organization of American States. The Government of Nicaragua has repeatedly asserted the hostility to it of the Government of the United States. We might almost say that it suffers from an obsession concerning the hostility of the Government of the United States towards the Government of Nicaragua. That obsession, as has frequently been noted, is expressed in its national anthem, in which it refers to us as nothing more nor less than "the enemies of mankind."

Nicaragua's Government has charged repeatedly that the United States supported the Government of Anastasio Somoza and offered implacable opposition to its rise. The facts are that the United States Government, which provided no economic or military aid to the Somoza régime during its struggle for survival, acted immediately to assist the Nicaraguan revolutionary Government on its accession to power. From 19 July 1979, when the FSLN triumphed, to 30 September 1979, the United States provided a total of $24.6 million in emergency relief and recovery assistance. This emergency assistance consisted of emergency food and medical supplies, often shipped by air, assistance in housing reconstruction and a grant of grain to provide for emergency food supplies. From July 1979 through January 1981 approximately $118 million in direct United States assistance was provided to the new Government of Nicaragua. In addition to bilateral aid the United States actively supported all loans to Nicaragua by multilateral lending institutions, helping them to receive from the Inter-American Development Bank $262 million in loans from mid-1979 to the end of 1980, an amount almost double what the Somoza Government had received in the preceding 20 years.

During the first year and a half of its life, the Sandinista Government of Nicaragua received more economic aid from the United States than from any other country. It is absolutely false to suggest that the Government of the United States attempted in fact to oppose and damage the Government of Nicaragua in its efforts to liberate the people of Nicaragua from a semi-military dictatorship, the régime of Somoza. It is also absolutely false to suggest that it was the Reagan Administration which terminated aid to Nicaragua. It was in fact in the last months of the Carter Administration that the decision to cease United States aid to Nicaragua was made, and it was made because the Government of Nicaragua was repeatedly and systematically found to be violating its agreement not to co-operate with or support terrorism or violence in other countries or to intervene in the internal affairs of other countries. It was also violating its commitments to establish democracy and freedom for its own peoples.

The Government of Nicaragua claims that it is a peace-loving State surrounded by threatening neighbours. The fact, again, are very different. The facts are that the Government of Nicaragua has since its accession to power concentrated on building a military machine, unequalled now or ever, in Central America. A rapid arms build-up was undertaken immediately after the Sandinistas came to power, which arms build-up threatens the security of its neighbours. With a population of 2.7 million people, Nicaragua now has active-duty forces that number approximately 25,000, at least twice the size of Somoza's National Guard, with another

[28] Miguel D'Escoto.

50,000 reservists and militia. To accommodate and train this force, large numbers of military garrisons have been built and enormous quantities of arms have been imported from the Soviet bloc. Some 2,000 Cuban Military and internal-security advisers are in Nicaragua; several hundred Nicaraguans are training or have completed training in Cuba and other Eastern European countries; sophisticated weapons, including Soviet-made T-55 tanks, amphibious ferries, helicopters, and transport aircraft, have been added to Nicaragua's arsenal, giving Nicaragua a military establishment which obviously far exceeds its own defence needs and far exceeds any military force ever seen in Central America.

In contrast, Costa Rica has no standing army, and Honduras, which has a million more people than Nicaragua, has total forces of about 17,500.

Nicaragua charges that the United States, aided by Honduras, is now intervening in its internal affairs and threatening the peace of the region. This assertion has been heard here, of course, before: it was indeed about a year ago—I believe on 25 March—that we heard the complaint of Mr. Daniel Ortega Saavedra that the United States was about to launch "an imminent large-scale military intervention against his country." In his letter requesting a meeting of the Security Council he wrote of an

> "ever-increasing danger of a large-scale military intervention by the armed forces of the United States [which][29] constitutes a grave threat to the independence and sovereignty of the Central American countries and to international peace and security." (*S/14913, annex, p. 1*)

At that time, he spoke of the interventionist strategy of the Government of the United States and he said that his Government had clear evidence of the United States intention to attack Nicaragua directly and intervene directly in El Salvador.

We assured the Government of Nicaragua at that time that we had absolutely no intention of engaging in a large-scale military invasion of its country. The facts are, of course, as we pointed out then, that Nicaragua is the country in Central America which is involved in a major effort to destabilize other governments. The efforts of the Government of Nicaragua to destabilize the Government of El Salvador are so clear that they cannot any longer be denied even by the Government of Nicaragua which, for many months—indeed, we might say years—steadfast in the face of ever-greater evidence, denied the truth of this assertion. The Government of Nicaragua has sought to destabilize the Government of El Salvador by sending large and continuing shipments of arms into that country, over 200 tons in 1981. By providing training and support to El Salvador's guerrillas and directing guerrilla military actions in El Salvador from command and control centres inside Nicaragua, Nicaragua has so repeatedly violated Honduran sovereignty and territory with covert shipment of arms over its borders that it is literally the case that one loses count of the instances. Nicaragua has also engaged in the effort to foment guerrilla forces inside Honduras and has stocked arms inside Honduras. Some 10 tons of explosives and small arms, and thousands of rounds of ammunition, sophisticated communications equipment, uniforms, propaganda, trucks, cars for transporting arms have been uncovered in safe-houses in Honduras by the end of 1982.

Nicaragua has also systematically violated the rights of Costa Rica by attempts to deny Costa Rica use of the San Juan River, it has violated Costa Rica's borders and made arrogant threats that attempt to deny Costa Rica the right to the development of its own territory.

Nicaragua has not been interested in confirming the facts about the activities or intentions of its neighbours. The Nicaraguan Government, for example, rejected an invitation from the United States and Honduras to observe the joint military exercises held in the region.

On 18 February 1983 the Honduran Government invited the Sandinista Foreign Minister to inspect exile camps allegedly located in southern Honduras,[30] and on 23 February the Sandinista régime rejected the offer.

In fact, the Nicaraguan Government has recently become quite open about its own approach to its neighbours. Radio Venceremos, Broadcasting from Managua, recently said the following:

[29] Brackets in the source text.

[30] U.N. document S/15613 (1983).

"our war is and will continue to be national, but we view our plans in the framework of a regional conflict to which there are interests of the people of Central America, the Caribbean and Latin America."

They asserted in that same programme that:

"The rebels throughout the area have imported arms through all the routes we could. We have used all of Central America and other countries for those purposes." [31]

The *Washington Post* commented that the broadcast appeared to support charges made by the Reagan Administration that the insurgency found in other Central American countries was encouraged, armed and participated in obviously by the Government of Nicaragua. [32]

The Government of Nicaragua has repeatedly declined to participate in efforts of its neighbours—including the United States, let me say, but certainly not only or principally us—to find peaceful solutions to the conflicts which plague the area.

On 4 October 1982, in San Jose, there was articulated the so-called Final Act in which the democratic States of the region, for the first time, set forth conditions they regarded as essential to achieve peace in Central America. Those conditions, endorsed by the democratic States of the region and, I may add, by the United States as well, provide, we believe, a standing invitation and a solution, a plan, for the resolution of the problems and insecurity that afflict the region.

Those conditions include an end to foreign support to terrorists and subversive elements operating for the violent overthrow of other countries: that is, all countries would forgo violent or subversive activities inside any other country; an absolute end to arms trafficking—all arms trafficking from outside the area would cease; a ban on the importation of heavy weapons and limitation on all armaments and forces to those required for defence would apply to all Governments; the withdrawal of all foreign military and security advisers and troops under fully verifiable and reciprocal conditions: all countries would withdraw all foreign advisers and troops; absolute respect for the principle of non-intervention and the peaceful solution of disputes; all countries would agree not to intervene in the affairs of other countries and to resolve their disputes without recourse to force; respect for human rights, including fundamental freedoms such as freedom of speech, assembly, religion and the right to organize political parties, labour unions and other organizations; and the establishment of democratic, representative and participatory institutions through free and regular elections in an atmosphere of political reconciliation within each State.

One of the most striking facts about the San Jose Declaration and the principles set forth therein as the basis for peaceful resolution of all the problems of the region is their resemblance to the commitments made by the FSLN at the moment of its accession to power—the commitments made in its letter to the OAS. In proposing to the Government of Nicaragua that it join with other countries of the region in the affirmation of the principles one proposes only that it join in the reaffirmation of the principles with which it announced its own arrival in power.

That distinguished Englishman John Stuart Mill believed that a people's quest for liberty is an irrepressible drive: it may be put down once, twice, repeatedly, but never permanently. The recent political history of Nicaragua clearly illustrates the truth in John Stuart Mill's vision.

Having valiantly fought to overthrow a despotic military dictatorship, the Nicaraguans momentarily breathed the exhilarting air of freedom. This triumph of freedom over tyranny, of the people over its oppressors, was tragically short in the case of Nicaragua. The long-suffering Nicaraguan people saw their hopes for freedom and human rights gradually suffocated by yet another form of tyranny. To a people well versed in forms of despotism, the new developments after the triumph of Sandinism were ominously familiar.

The emerging pattern was easily recognizable: a few self-appointed individuals, lacking popular support, resorted to armed violence to maintain themselves in power. Instead of popular support, the

[31] For a different text of the quoted passages from the Radio Venceremos broadcast of March 15, 1983, see Foreign Broadcast Information Service, *Daily Report: Latin America*, March 15, 1983, p. P13 and p. P12, respectively.

[32] An apparent reference to the *Washington Post*, March 14, 1983, p. A1.

new Government increasingly relied on military means; instead of consultation, it relied on coercion; instead of respecting human rights, it chose to trample them; instead of allowing for the free play of the political forces of the society, it systematically sought to destroy them.

Is it any wonder, then, that the Nicaraguan people, versed as they are in recognizing tyrants would increasingly turn against those whom they originally believed to be their liberators? Is there any surprise in the fact that the Nicaraguans, thirsty for real freedom, are now once more ready to fight for it as they did in the past? I believe not.

Somocismo and *Sandinismo* turn out not to be unlike each other. They are both military dictatorships denying the Nicaraguan people their human rights and human freedoms, their political rights and political freedoms. The fact is that the right to repression which is sought here today by the Government of Nicaragua cannot be granted by anybody. The right to repression is not a human right or a political right.

The violation of territorial integrity and sovereignty, the right to intervene in the internal affairs of others, cannot be granted by this body to the Government of Nicaragua or any other Government. It violates the Charter of the United Nations. It violates the commitments of this body to all its members.

There were references by the representative of Nicaragua to the political will of the United States Government. There were references also to the will of the Nicaraguan people to be free and independent. I should like to say that the political will of the present United States Government is no different from the political will of the people of Nicaragua to be free and independent.

An appeal was made by the Government of Nicaragua's representative that the United States put an end to its efforts at support for internal disturbances inside Nicaragua. I should like to make an appeal to the Government of Nicaragua to put an end to its repression of its own people, to put an end to its destabilization of its neighbours, to affirm instead its political will for freedom as promised to the people of Nicaragua, as promised to the fellow members of the Organization of American States and as, indeed, claimed by the Government of Nicaragua before this body. We appeal to the Government of Nicaragua to be true to its own promises to provide its own people those human rights, those freedoms, that fundamental respect and opportunity for peace and prosperity which it promised and which we all hope so fervently it will find.

I should like, in closing, to affirm the political will of the Government of the United States to join with other members of this hemisphere, or this body, or to stand aside while other members of this hemisphere—and of Central America specifically—work out solutions which provide for precisely those guarantees promised by the Sandinista Government to its people: respect for human rights, respect for good-neighbourliness, respect for the right of peoples to choose their own governments through competitive and free elections.

Document 616

Response by the Representative at the United Nations (Kirkpatrick) to a Question Asked in the U.N. Security Council, March 25, 1983 [33]

"The United States Government Has No Aggressive Designs Against the Government of Nicaragua"

I should like to reply unequivocally that the United States Government has no aggressive designs against the Government of Nicaragua, against the Nicaraguan people; that the United States indeed has no intention of invading anyone or of conducting an armed action against anyone, or of occupying any other country. The United States Government, indeed, has no

[33] Source: U.N. document S/PV.2423. Ambassador Kirkpatrick's statement was made in reply to a question by the representative of the Soviet Union (Ovinnikov): "Can the representative of the United States tell the Council here that the United States has no aggressive designs whatsoever against the Republic of Nicaragua? Can she say that, or not?"

interest in any territorial aggrandizement whatsoever, and as far as the people of Nicaragua are concerned, we desire nothing whatsoever for the people of Nicaragua except precisely the fulfilment of those promises which the Government of Nicaragua—the Sandinista Junta of Nicaragua—made to those people on its accession to power.

Document 617

Transcript of an Interview With the Representative at the United Nations (Kirkpatrick), April 12, 1983 [34]

"The American People Should Be Confident That the U.S. Government Is Not Breaking Its Own Laws"

Q. Is the United States in violation of the law that prohibits it from giving aid to any group or individual for the purpose of overthrowing the Nicaraguan Government?

A. Of course not. The United States would never knowingly violate a law under this administration. I can assure you of that. I don't think there is any reasonable chance that we are violating this law.

Q. Would it violate the law if the United States were supporting groups which had as their aim the overthrow of the Nicaraguan Government?

A. Actually, I think there are some ambiguities, but the statement of the Boland amendment is clear. [35] The Boland amendment states that the U.S. Government should not support anyone for the purpose—the U.S. Government should not seek to overthrow the Government of Nicaragua. There was another amendment considered by Congress the same day—the Harkin amendment. [36] Many people who are talking about this whole subject are discussing the Harkin amendment which was defeated in the Congress.

Q. How would you feel if the aim of the contra-forces were to overthrow the Nicaraguan Government?

A. Do I think that the United States should protect the Government of Nicaragua against the anger of its own people? The answer is no, I don't think so.

Q. Should the United States support, with financial or military aid, the anger of the people?

A. I think that we have a very difficult situation in which the Nicaraguans have been actively supporting an effort by guerrillas to overthrow the Salvadoran Government and threaten the Governments of Honduras and Costa Rica. The guerrilla war against the Salvadoran Government is directed from Nicaragua. There have been a number of efforts to pursuade the Nicaraguans to abandon their repressive internal policies and to abandon their aggression against neighboring states. All of those efforts have failed. The Nicaraguan people are unhappy at the betrayal of their democratic revolution by the military dictatorship of their country.

Q. I'm not sure you have answered my question. Should the United States be supporting with indirect or direct assistance, groups which have as their aim the overthrow of the Government of Nicaragua?

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[34] Source: Department of State files. Diane Sawyer conducted the interview on the "CBS Morning News."

[35] Section 793 of P.L. 97-377; enacted December 21, 1982; for text, see 96 Stat. 1865. This amendment provided that: "None of the funds provided in this Act may be used by the Central Intelligence Agency or the Department of Defense to furnish military equipment, military training or advice, or other support for military activities, to any group or individual, not part of a country's armed forces, for the purpose of overthrowing the Government of Nicaragua or provoking a military exchange between Nicaragua and Honduras."

[36] Representative Harkin's amendment provided that: "None of the funds provided in this Act may be used by the Central Intelligence Agency or the Department of Defense to furnish military equipment, military training or advice, or other support for military activities, to any group or individual, not part of a country's armed forces, for the purpose of assisting that group or individual in carrying out military activities in or against Nicaragua." Regarding the Boland and Harkin amendments, see *Congress and Foreign Policy 1982*, Committee on Foreign Affairs, U.S. House of Representatives, Committee Print (Washington, 1983), pp. 87–88.

A. I think the important thing for the United States is to live within our laws and support policy which is sensible for us. I think that we have the moral right to support the Afghan freedom fighters. In a situation where there is a clear effort by the Soviets and Cubans to support the destabilization of virtually all of Central America, and talk about implanting missiles aimed at the United States, I think we have the moral right to do that. Whether it is politically prudential or wise in a given situation is another question. The American people should be confident that the U.S. Government is not breaking its own laws.

Q. If the United States is convinced that El Salvador is crucial to U.S. strategic interests, why shouldn't the government tell the people that more will have to be done to win?

A. I don't think anyone believes that it is in the U.S. national interest for El Salvador to have a Communist government. Nicaragua and Cuba are frank about their goals for a Communist Central America. We are going to have to level with the people about how important this region is.

Q. But this administration has not stated its goals clearly.

A. Well, I think we talk about it a great deal. The President made a major speech on it about a month ago.[37] I do a great deal of talking about it.

Q. But if El Salvador is so strategic, why not ask for troops to be sent in?

A. That does not follow. I think that this is a very strange kind of attitude. We just rushed a great deal of heavy arms aid to Vietnam (*sic*).[38] because of the Vietnamese challenge on the Thai border. We send trainers to Lebanon. We can use American power without sending troops. We do it all the time.

[37] See document 614.

[38] As on the source text.

Document 618

Transcript of a Press Conference by the Secretary of State (Shultz), April 12, 1983 (Extract)[39]

"We Also Have To Think About Our Own Security"

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Q. Mr. Secretary, if I could take you to a different part of the world, you and other people in the administration have said to the Congress and publicly that the administration is not violating the Boland amendment, which says that the U.S. Government cannot aid forces in Nicaragua for the purpose of bringing down that government.

Some senior people in Congress have raised questions about that—even disputed it. Today, Congressman Barnes, the head of the Latin Subcommittee in the House, has introduced a measure to forbid any U.S. aid to any irregular force anywhere near Nicaragua having anything to do with Nicaragua.

In view of the congressional concerns about what is going on and what it is going to lead to, what is your attitude toward tightening the Boland amendment to take out any legal ambiguity or proceeding to a flat ban such as that which has been introduced by Congressman Barnes?

SECRETARY SHULTZ. As far as I know, there is no violation of the Boland amendment. I want to expand, however, and say, as people look at what is happening in Nicaragua, and ask themselves why, it shouldn't be difficult to figure out the answers. After all, here is a regime that came in, the Sandinistas. And what did they say? They said, "We don't believe in this dictatorship we just overthrew. We're going to have a free kind of system here. We're going to have elections. Everything is going to be great."

[39] Source: Department of State Press Release 106, April 12, 1983; also printed in the Department of State *Bulletin*, June 1983, pp. 10–13. The press conference began at 3:30 p.m.

And what have they done? They have completely gone back on the promise of elections. They have very badly suppressed freedom of the press. They have done a terrible job on the Miskito Indians, for example. They have been very hard on the church, as illustrated. As an illustration—there are lots of other things—but the illustration is the way in which they greeted the Pope on his recent visit. So if you look for explanations for why it is that the Nicaraguans are having internal trouble, you don't have to look very far. I think it's important to recognize these underlying facts.

Q. What about the question of whether you would support, or what your attitude is regarding the endeavor by many in Congress to either tighten up on this language so that no support can be given to irregular forces, or to ban it completely?

SECRETARY SHULTZ. The moves being made that seem to be designed to prevent us from continuing to support our friends in El Salvador and elsewhere in Central America, in their effort to provide a military security shield so that they can go forward with the process of democracy, so that they can go forward with the process of economic development, so that they can go forward with the development of the human rights efforts in those countries, I think is the undermining of our ability to provide that shield and is a bad mistake.

It is bad not only in the region; it's bad for our country, because here we're talking about our neighborhood. We see that in Cuba there is a Communist-controlled country. The same thing is emerging rapidly in Nicaragua. And if that becomes the case in Central America, it is not only bad for the people in Central America—my gosh, if you care anything about human rights, I think you have to consider what is being done in that regard if you turn this over to the Communists. However, we also have to think about [our] own security, because here we're talking about our neighborhood. So I believe that the Congress should do the reprograming that we have asked for and support the continuity of effort that is necessary in El Salvador and elsewhere.

Q. Mr. Secretary, Ambassador Kirkpatrick made some comments in New York today that suggested the United States has a moral obligation to support groups like those in Nicaragua which are trying to overthrow the government.[40] Is that this administration's policy?

SECRETARY SHULTZ. Certainly, when we see forces of democracy, forces that are opposed to something that takes on the aspect of tyranny, it's easy enough for us to figure out which side we're on. But our own immediate problem with Nicaragua is the undoubted use of Nicaragua as a base from which arms flow, largely through Cuba, to Nicaragua, and then to El Salvador. It's the "export of revolution without frontiers," I think is their phrase, to their neighbors that is the heart of the difficulty and which we are trying to cope with.

Q. Mr. Secretary, in spite of the validity of all that you've said about the situation in Central America, the United States is still signatory, and indeed was one of the founders of the OAS and wrote a good deal of the Charter.

What about Article 18 which specifically prohibits any intervention in a sovereign state?[41]

SECRETARY SHULTZ. We are talking about states that are very anxious to have us there. We're talking about helping. Here is Costa Rica that has no army; here is Honduras, struggling to make its democracy work; here is El Salvador, certainly with a pretty tough history and with lots of problems—no doubt about it—but, nevertheless, making some progress, and we're trying to be helpful. I think that is perfectly well in accord with the OAS Charter.

I also think it's well in accord with the OAS Charter to be opposing the export of revolution and the export of arms across national boundaries for the sake of encouraging the kind of disruption that we see in El Salvador. After all, look what these people have done to the chance of the people in El Salvador to make a decent living. They've blown up 55

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[40] *Supra.*

[41] Article 18 of the Charter of the Organization of American States reads: "No State or group of States has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other State. The foregoing principle prohibits not only armed force but also any other form of interference or attempted threat against the personality of the State or against its political, economic, and cultural elements." For complete text of the Charter, see 21 UST 607.

bridges; they have blown up power plants; they have disrupted the economic infrastructure. I suppose it's no wonder that they are reluctant to come into the democratic process. That would be a terrific platform to run on.

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Document 619

Statement by the Assistant Secretary of State for Inter-American Affairs (Enders) Before the Senate Foreign Relations Committee, April 12, 1983 [42]

U.S. Policy Toward Nicaragua

MR. ENDERS. Thank you very much, Mr. Chairman, [43] for your welcome, and I do welcome the opportunity to review in some detail U.S. policy toward Nicaragua.

I apologize for the length of the statement I would like to make. I will omit some parts of it, but perhaps it is wise at this point, given the opportunity you offer to reason, to debate what that policy is, to state it in its full detail.

Mr. Chairman, since the Somoza government collapsed and the Sandinistas came to power in Nicaragua, which was in 1979, our policy has focused on attempting to convince Nicaragua to do three things, to renounce support for insurgency in neighboring countries, to abandon its pursuit of dominant military power in Central America, and to come to terms with its own society through the creation of democratic institutions.

In July 1979, the soon to be governing junta of Nicaragua pledged formally to the Organization of American State [OAS] [44] that its goals were democratic and peaceful. [45] The United States and indeed the entire international community accepted this pledge and embarked on programs of peaceful reconstruction that typically included substantial appropriations of assistance outside annual budget processes.

As the months went by, however, it became increasingly apparent that the Sandinistas saw themselves as the armed vanguard of an isthmus-wide movement. Nicaragua's new regular army, the Ejercito Popular Sandinista [EPS], was founded in 1979. By the end of last year, according to its commander, it had grown to be four times as big and eight times as strong as Somoza's Guardia Nacional. The EPS reached an estimated strength of 20,000, backed up by militias and reserves 80,000 strong.

During the period since the revolution, Nicaragua has received an estimated 125 million dollars' worth of military equipment and supplies from the Soviet Union alone. It obtained by far the heaviest tanks in Central America, heavy artillery, antiaircraft weapons, assault helicopters, rocket launchers, and patrol boats.

While military pilots and crews trained in Bulgaria and other Eastern European locations, airfields were prepared for advanced jet fighters. More significant, large numbers of foreign military and security advisers were introduced. Currently, no less than 2,000 Cubans, 50 Soviets, 35 East Germans, and 50 PLO and Libyan personnel are estimated to be stationed in Nicaragua on security missions. That is roughly one foreign military adviser for every 1,000 Nicaraguans.

In 1980, just as in 1978, Castro had brought the three main Sandinista factions together in Havana. Cuban agents brought five guerrilla factions from El Salvador together in Managua, worked out a unity pact among them, then set up a joint command and control apparatus in the Managua area, and organized logistics and training support on Nicaraguan soil.

Since that time, the great bulk of the arms and munitions used by the insurgents in El Salvador have flowed through Nicaragua. Meanwhile, the Sandinistas moved to assert a monopoly of power inside Nicaragua. Elections were ridiculed

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[42] Source: *U.S. Policy Toward Nicaragua and Central America: Hearing Before the Committee on Foreign Relations, United States Senate, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 5–11. For Enders' prepared statement, see *ibid.*, pp. 11–16.

[43] Senator Charles H. Percy.

[44] All brackets in this document are in the source text.

[45] See document 615.

and postponed. One by one, the elements of the broad anti-Somoza coalition were shorn off.

The famous newspaper, *La Prensa*, was censored, independent radio and TV stations curbed, labor unions intimidated, the private sector neutralized, the Catholic Church subjected to repeated provocation and attempts at division, the Miskitos and other Nicaraguan Indian minorities persecuted.

Nicaragua's southern border is 300 miles from the Panama Canal, separated only by Costa Rica, a democracy that for almost 35 years has had no army. Its northern border is 300 miles from Mexico. In between are two states, El Salvador and Guatemala, already torn by guerrilla violence, and Honduras, whose fledgling democracy is under daily pressure from Nicaragua.

It does not take very much imagination to understand how the Sandinistas' revolution without frontiers might spread, nor how its spread might affect our security. Half our trade flows through the Caribbean, and we depend on the stability of our neighbors to avoid what in certain circumstances could become an unprecedented flow of refugees northward to this country.

Especially now, when a troubled world economy invites unrest, we must safeguard democracy and stability in our immediate neighborhood.

We have all seen predatory dictatorships of the right and the left, Germany under Hitler and the Soviet Union under Stalin and since. And there is a school that attributes the expansionism of left wing dictatorships to pressures from abroad. According to this proposition, Soviet aggressiveness is but a reaction to the creation of a network of alliances around it. Castro was made a Communist by U.S. confrontation, and Vietnam was radicalized by foreign armies.

Whatever the merits or defects of these arguments, I would like to point out that the Nicaraguan case provides ample data to test the policy that usually flows from that proposition—that left wing radicalization and aggressiveness can be prevented by the political support and economic assistance of the democracies.

Nicaragua is a country of some 2 1/2 million people. Since 1979, it has received from the democracies and multilateral agencies $1.6 billion in economic assistance, or $640 for every man, woman, and child. The United States supplied $125 million of that. Politically, such democratic states as Mexico and the parties belonging to the Socialist International have provided consistent support.

Yet this same period marks the big buildup of the Sandinista army, the EPS, direct support for violence in El Salvador, and the consolidation of internal repression. It is clear that constructive engagement has not worked in Nicaragua.

THE CHAIRMAN. Secretary Enders, I have just been advised that there is a possibility that you may have to leave at 11 o'clock to address the Intelligence Committee. Is that correct?

MR. ENDERS. The Intelligence Committee is meeting, but I will leave when this hearing is over and then go and join that one.

THE CHAIRMAN. You will be able to stay then straight through here?

MR. ENDERS. Absolutely.

THE CHAIRMAN. Fine. Thank you very much. You can, of course, summarize your statement in any way that you want, but I would not want to cut off any part of it that you feel is important to be in public session today. Go right ahead, then. I thought maybe we would have to brief it if you had a time problem. If you have not, that is fine.

MR. ENDERS. Thank you.

If constructive engagement has not worked so far, negotiation has not worked any better. There have been several efforts. They continue today. I was involved in an effort, traveling to Managua in August 1981 to listen to Sandinista concerns.

They told me that they remembered the U.S. Marine occupation in the first decades of this century, that they feared a U.S. invasion, and thus needed a big army, and that we should understand that the Salvadoran guerrillas were important as a shield to protect the Nicaraguan revolution.

So, we said, OK, let us address your concerns. Let us enter into a bilateral nonaggression agreement. The United

States could use its influence to encourage Nicaraguan exiles in this country to moderate their behavior, and the United States could renew its economic assistance.

In return, we asked the Sandinistas to stop training and supplying Salvadoran guerrillas, to give pluralism a chance in their own country, and to limit their military buildup perhaps through agreement with other Central American countries.

We made these proposals in writing. In October 1981, Managua formally rejected them as sterile. [46]

A second attempt at negotiation occurred in the spring of 1982, this time at the suggestion of Mexican President Lopez Portillo. Once again, we presented concrete proposals in writing, this time elaborated in eight points presented through our Ambassador in Managua. [47] Once again, there was no concrete response. Nicaragua simply replied that, before it could respond there would have to be a meeting at a higher level and in Mexico.

This time, it seemed to us, the Sandinistas wanted to appear to negotiate without actually doing so.

We tried a third time. Under Costa Rican leadership, a group of democratic states got together in San Jose in October 1982 to work out a comprehensive set of peace proposals for Central America as a whole. I would like to review them, because they continue to represent the essence of what we, like Nicaragua's democratic neighbors, are trying to achieve.

First, this group of democratic countries agreed that the area should be freed from East–West competition. The way to do that, we concluded, is to get all foreign military advisers and trainers from Cuba, the Soviet Union, Bulgaria, East Germany, the PLO, and, of course, ours, out of Central America.

Second, the Central American countries would have to find a way to live with each other without fear. To that end, the democracies proposed mutual and verifiable accords banning the import of heavy offensive weapons, renouncing their support for insurgency on neighbors' territory, and providing for international surveillance of frontiers.

And third, each Central American country would have to find a way to establish democratic institutions open to opposition elements.

Costa Rica on behalf of this group attempted to contact Nicaragua to ask whether it would enter into a dialog on the basis of these principles. The Sandinistas refused to receive the proposal, arguing they had not participated in its formulation and so were not bound to address it.

So a fourth attempt at negotiations is now being made. In January of this year, Mexico, Colombia, Venezuela, and Panama met on the Island of Contadora to propose an effort at mediation of Central America's conflict. [48] Honduras, Costa Rica, and El Salvador responded by proposing that the five Central American countries, including Nicaragua, meet in the presence of this Contadora group.

That would enable Nicaragua to take part in developing the proposals as it had not been able to do earlier. To maximize the chances that Nicaragua would participate, they suggested that the United States not be present. That would also take care of charges that the conference would be United States dominated.

But Nicaragua was still not receptive. Instead, it went to the U.N. Security Council claiming that it wants to meet bilaterally with the United States and with Honduras, not regionally. In effect, Nicaragua is saying it wants to discuss Nicaragua's charges against Honduras and the United States—but not its neighbors' concerns about Nicaragua's militarization, its dictatorship, and its intervention in El Salvador.

I have described this history at some length to give you some idea of the extraordinary difficulty of dealing with the Sandinista leadership. But despite this record we are not going to give up. The Sandinistas are obviously not yet persuad-

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[46] Regarding the 1981 proposals, see Secretary Haig's remarks concerning a meeting with Nicaraguan Foreign Minister D'Escoto in St. Lucia, December 2, 1981, in *American Foreign Policy: Current Documents, 1981*, p. 1364.

[47] Regarding the April 1982 proposals presented by Ambassador Anthony Quainton, see *ibid.: 1982*, p. 1437.

[48] For text of the joint note issued at the conclusion of the January 8–9, 1983, meeting, see OAS document AG/CG/doc.6/83.

ed that they have to negotiate on substance with either their neighbors or their internal critics.

Perhaps they still think that if they bob and weave enough something will change. Maybe the United States will bend or weaken its support for democratic governments in Costa Rica and El Salvador and Honduras and that the way will again be open for the revolution without frontiers. We must convince them that that is not the case and that the United States will not abandon its friends in Central America.

Meanwhile, the Nicaraguans have taken matters into their own hands. Sandinista intransigence has sparked an insurgency that the Sandinistas themselves claim is a threat. Several thousand guerrillas are now active in Nicaragua. Disillusioned Miskito Indians operate in much of their homeland in the Atlantic lowlands, in eastern and northern border departments of Jinotego and Nueva Segovia Madriz, Esteli, and Zelaya.

Significant insurgent forces are attacking government outposts and ambushing military convoys. Guerrilla activity is reported in the central coffee-growing province of Matagalpa. This month, for the first time, armed dissidence has been reported in the south. Whereever the opposition groups show up, they seem to attract local support and their numbers grow.

Who are these people who are challenging Managua's ideologues? What do they want? Well, based on what we know, there are two major groups. One of them, the larger, is the Fuerza Democratica Nicaraguense [FDN]. Although its main strength is inside Nicaragua, Sandinista repression has driven most of its leaders to Honduras and Costa Rica.

Its leadership is made up of a group of people who have been in many cases lifelong opponents of the Somoza regime. Some of them have been jailed for their support for opposition to Somoza. They have publicly stated that their objective is to bring democracy to Nicaragua and not a return to Somocismo.

In sociological terms, these leaders represent members of the professions and teachers, plus small businessmen and farmers. Their followers include disaffected peasants, former small farmers, Miskito Indians, and other groups displaced or simply repressed by Managua's ideologues.

We estimate that the FDN's ranks include over 1,000 guerrillas. Former National Guardsmen, mostly noncommissioned officers, lead many of these guerrilla units. Most of the members are peasants and former small farmers.

The FDN's pronouncements repudiate the Somoza past and affirm the nationalistic and patriotic principles of Sandino. As I am sure the committee is aware, the FDN proposed a peace plan on January 30, 1983, in which it offered to cease hostilities if, among other points, the Government of Nicaragua held internationally supervised elections by September 1983, revoked the stage of siege in Nicaragua, and separated public administration from partisan political and ideological activities.

The second major group, led by anti-Somoza hero, Eden Pastora, is ARDE [Alianza Revolucionaria Democratica]. ARDE's leaders include such well-known figures as former post-Somoza junta leader Alfonso Robelo, Miskito Indian leader Brooklyn Rivera, and former anti-Somoza fighter Fernando Chamorro.

Pastora, who was the original Sandinista Vice Minister of Defense, has repeatedly denounced the revolution's betrayal, which he argued was motivated by Cuban agents and forcing a sellout to the Soviet Union. Most of ARDE's statements have been issued from Costa Rica, but ARDE's February 2 peace proposal also calls for elections of a constituent assembly by June 1983 to fulfill the promise of the Sandinista revolution.

Mr. Chairman, it is not clear what the course of the struggle within Nicaragua is going to be. What is certain is that as long as Nicaragua forces legitimate dissent at home to follow violent means and persist in threatening and destabilizing its neighbors, it will never be stable, nor will Central America.

It is conceivable that Cuba or the Soviet Union could be tempted to escalate the conflict, introducing modern fighter aircraft or even Cuban combat troops. Clearly, a dangerous situation would then develop, unacceptable not only to Central America but to the American nations as a whole. We have communicated to Moscow and Havana how dangerous such a move would be.

It is also conceivable that in an effort to distract attention from their internal problems, the Sandinistas might lash out at their neighbors, attacking Costa Rica or Honduras. For over 1 year, Managua has already been running terrorist operations in San Jose and infiltrating guerrillas into northern Costa Rican provinces. There have been frequent border incidents with Honduras.

Although journalists who have visited the area report no activity on the Honduran side, Nicaragua has recently reinforced military units on the border. Again, I believe that the Sandinistas understand that they could not gain by attacking their neighbors. It is also important to stress that every resource of inter-American diplomacy, including, of course, that of this country, would be available to prevent such an outburst.

Clearly there is a better way. It is through dialog and negotiation. We asked the Sandinistas to think of the Nicaragua people. Despite all that foreign aid I mentioned, Nicaraguans in the cities and countryside are much less well off now than before the revolution. They resent the pressures on their churches and their clergy. They distrust and dislike the Sandinista monopoly of power. They lived under such a system before.

We asked the Sandinistas to consider the insurgency in their own country. Despite, or maybe it is because, of the presence of all of those armed Cubans popular resistance is spreading. They may conclude that the dialog they have so many times spurned is many times preferable to widening civil strife.

We asked the Sandinistas to consider the insurgency they are supporting in El Salvador. If it has legitimate grievances, let them be pursued through democratic institutions. The international community is willing and able to provide security and other guarantees for elections as the answer there as well as in Nicaragua.

Quite clearly, each element of the Central American problem is related to the other. No amount of land reform, or open elections, or improvement in human rights will end the conflict in El Salvador if Nicaragua continues to be able to fuel it. Democracy will not prosper in Nicaragua's neighbors unless it is practiced in Nicaragua as well. Nicaragua will not be free of the hostility of its own people and of its neighbors until it begins to address their concerns for democracy and security.

So the answer is democratization and dialog among neighbors. The purpose of the U.S. policy in the area is to create conditions in which Central America can be removed from the East–West conflict, in which the import of offensive weapons and mutual support for insurgencies can be ended and the democratic transformation of each society achieved.

That is, negotiations among all the Central American countries and negotiations within countries can provide the opportunity for all groups to compete in the voting booth rather than on the battlefield.

Thank you for your patience, Mr. Chairman and members of the committee.

Document 620

Address by the Under Secretary of Defense for Policy (Iklé) Before the Chicago Council on Foreign Relations, Chicago, April 12, 1983 [49]

Defending Our Fourth Border

It gives me always great pleasure to return to Chicago: For those of us condemned to live in Washington, it is good for our health to get away from time to time and return to the center of America.

Today, I want to give you a brief overview of the Reagan administration's defense policy. But first I shall use part of my time for a defense problem that is particularly pressing and widely misunderstood. I shall talk to you about the security of our fourth border—our relationship with and interests in the Caribbean region.

In his speech on March 10, the President reminded us that the Soviet military noticed what we failed to notice: "that the Caribbean Sea and Central America constitute this Nation's fourth border." Somehow the American people and Congress

[49] Source: Department of Defense files.

have failed to recognize that the situation to the South of us is frought with great danger.

Public awareness of the security needs of our other three "borders" is much better. To the North, we appreciate the tranquility of our long frontier with Canada. Our main concern is the Soviet missile threat reaching over the Arctic region. Here, Congress and the public support our North American defense systems, based on four decades of close cooperation with Canada. And there is no disagreement that our intercontinental nuclear deterrent is absolutely vital, even though there is questioning in Congress as to the needed pace and shape of our program for maintaining this deterrent.

For the security needs of our "borders" to the East and to the West, the consensus at home is even more reassuring. To the East, two World Wars that began in Europe taught the American people the value of a strong Atlantic alliance to keep the peace. To the West, we have learned from the North Korean attack in 1950 that there, too, we must maintain firm alliances and U.S. commitments.

To the East and to the West, Congress, by-and-large, supports the continued forward deployment of some 480,000 U.S. forces. But to the South we are now debating whether we should have more or fewer than 50 U.S. trainers in El Salvador (we do have U.S. military deployed in Panama, Guantanamo, and Bermuda—altogether only some 14,000). Similarly, Congress appreciates the importance of security assistance for countries in the Mediterranean Basin: it approved some four-and-a-half-billion dollars. By contrast, Congress hesitates whether to approve only $46 million or $216 million for our neighbors in the South.

One wonders whether the American people realize that the Soviet arms assistance to Cuba is about 10 times larger now than all our assistance to Latin America. There are 25 times as many Soviet military advisors in Cuba than there are U.S. military advisors in all of Latin America. The Soviet support for Nicaragua is quite open. Soviet bloc ships deliver military equipment directly to Nicaraguan ports. Some 50 Soviet tanks have been introduced into Nicaragua, plus Soviet assault helicopters and Soviet transport aircraft. Seventy Nicaraguan pilots have been trained in Bulgaria to fly MIGs (the Soviet fighter aircraft). Why do some people complain that the Reagan administration seeks to bring the East–West conflict to the Caribbean region? The East is already there, in larger numbers to boot.

I could go on, reporting to you the dangerous developments across our "fourth border":

Nicaragua is building up the largest military force in Central America, larger than that of Mexico.

Nicaragua has long served as a headquarters area and transshipment place for the insurgents in El Salvador.

Nicaraguan diplomats have been caught promoting terrorism against the social-democratic government of Costa Rica.

On the island of Grenada, Cuban influence and interference have led to a Marxist dictatorship.

Southeast of Grenada, the formerly democratic nation of Surinam is being forced into a brutal, totalitarian dictorship, with Cuban coaching and support.

I have been asking myself why there is so much indifference in Congress and in the media toward these appalling trends, why we have so much disunity and dissention as to what the United States should do. I have been asking myself why the rather modest effort proposed by the Reagan Administration has been attacked and voted down. I have been wondering why there is no more complaining that the administration is doing too little and too late.

Why is there such disinterest in this region so close to us? Why the clamor that we should ignore what is happening in Central America and "get out." I wonder whether this attitude does not reflect a certain condescension toward our friends in Latin America, an outrageous view of these countries as "banana republics" that are unqualified to become modern democracies, a condescension toward the accomplishments of our neighbors in the South.

Do you know that among the 32 independent states of Latin America, eleven are democratic and more have begun the process to achieve full democracy. Since 1978 alone, five countries have made a peaceful transition from military regimes to elected democratic governments.

READEX FICHE

El Salvador had a democratic revolution in 1979, starting on the road of land-reform and pluralistic elections. This represented a deadly threat to Fidel Castro—a democratic, reform-minded government replacing the military regime in El Salvador. Hence, Castro had to organize the attack on this process of democratization. The insurgent forces that he coordinated and supplied with arms were quite efficient. They destroyed 55 of the country's 260 bridges, they damaged water supplies, they caused over 5000 interruptions in the electrical power system, they destroyed 13 crop-dusting planes and over 200 buses . . . .[50]

Apart from the condescension that is reflected in the apathy towards the Caribbean region, there is also complacency about our adversaries that threaten our "fourth border." The complacency, in part, stems from the lack of a long-term view, the inability to see a trend in the consolidation of Marxist dictatorships: Cuba, Nicaragua, Grenada, Surinam . . . . Too many people underestimate the seriousness of our opponents, their single-minded pursuit of the monopoly of power designed to destroy all opposition. On March 25, the radio station of the Salvadoran insurgents announced: "We are winning this war and could not care less about any amnesty."

We must confront the fundamental facts. An outside imperialist power—the Soviet Union—is tilting the social-political process in the Caribbean region towards a new totalitarian order. The Moscow-Havana axis is intervening with all the instruments at its disposal: propaganda, political organization, money, terrorism, providing repressive police forces, providing arms and military training, and outright support for armed intervention. The goal of the Moscow-Havana axis is to make this expansion of totalitarian control irreversible and to destroy the chances for democracy.

The Reagan administration is sometimes accused in Washington of wanting a "military solution," or (worse yet in the eyes of our critics) of wanting "military victory." Well, let me tell you, we in the Reagan administration do not want a defeat, and we do not want a stalemate.

If we are not prepared to help our friends to win in defending against a military assault, then we should not become involved at all. We cannot improve human rights in a country and we cannot have economic development, if we cannot help that country to stop armed attacks against its economy and its people.

We recognize that the struggle requires support primarily for economic and political development. Three-fourths of our assistance to the region is for these purposes, only one-fourth is for military aid. Let us remember that some 35 years ago, the democratic forces lost a similar contest in Eastern Europe. Stalin employed both military means and political intervention to prevent democracy from taking a hold in Poland, Hungary, Czechoslovakia.

Obviously the situation in the Caribbean region is different in many respects. However, if we deny arms, ammunition and money to those fighting the Moscow-Havana axis; if we force those who wish to build democracy to share power with those bent on destroying it; if we simply wash our hands of the conflict; then, indeed, the forces of totalitarianism in the region are adequate to turn it into another "Eastern Europe."

As the American people and Congress become more aware of the dangers to the South of us, I am confident we will be able to develop a broad consensus for defending our "fourth border," as we have long ago developed a consensus for defending our interest East and West.

[50] All ellipses are in the source text.

Document 621

Remarks by President Reagan, April 14, 1983 (Extract) [51]

"We Are Complying With the Law"

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[51] Source: White House Press Release, April 14, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, April 18, 1983, pp. 545–547. The President made his remarks in a question-and-answer session with the press in the Briefing Room of the White House beginning at 4:02 p.m.

Q. Mr. President, are we directly or indirectly supplying, arming or training any insurgents—Nicaraguan insurgents—and if so, why?

THE PRESIDENT. We are complying with the law, the Boland amendment, which is the law. We're complying with that fully. And in—

Q. Does that mean we are not arming or supplying any of the dissidents along the border, the Honduran border?

THE PRESIDENT. I am not going to get—I could not and would not possibly talk about such things. But may I point out that this whole controversy over Nicaragua is ignoring some realities, that the Nicaraguan Government is a revolutionary government that took power by force, but with the promise of democratic elections, none of which have taken place. And all of this was under the previous administration. The previous administration, however, did recognize this Government of Nicaragua, sought to help it with considerable financial aid and withdrew that aid, long before we were here, when it became apparent that the government had become completely Marxist, had turned away and thrown out some of the democratic groups that had supported them and fought with them in the revolution to bring democracy to Nicaragua and were, then, no longer a part of the government.

But also the cutoff of funds was because the Nicaraguan Government had pledged to the United States that it would not attempt to overthrow any other governments in Central America, particularly El Salvador, by helping the insurgents there, the guerrillas, and they violated that promise. And they are still violating it. And anything that we're doing in that area is simply trying to interdict the supply lines which are supplying the guerrillas in El Salvador. But the picture today is that Nicaragua, with its protests that somehow someone is trying to overthrow them, it, as a revolutionary government, is trying to overthrow the government of a neighboring country, El Salvador, which was a duly-elected government and which is going to hold another election before this year is out.

Q. But, Mr. President, what is the American public to think if Congressman Boland, who, as you know, is Chairman of the House Intelligence Committee, says there's very strong evidence that we are violating the law? [52] How do we clear this with the American people? Don't they have a reason, if a Congressman is saying that we're violating the law, that something's wrong—

THE PRESIDENT. You misled him. (Laughter)

Q. No, but he has access to intelligence information, to administration briefings.

THE PRESIDENT. Yes.

Q. What's going on?

THE PRESIDENT. And I think Secretary Shultz and our Security Adviser, Judge Clark, have both been talking to him, and you have seen the statement by Barry Goldwater of the Intelligence Committee that is absolutely positive that there is no violation of the law whatsoever. [53] I think that when they pay a little more attention to this, they're going to find out we're not violating the law.

Let me do what I promised the other day and start with some of the people in the back of the room here.

Q. Mr. President, are you willing to say flatly that the United States is not engaging in any activities that a reasonable person could assume would be for the purpose of overthrowing the Nicaraguan Government?

THE PRESIDENT. We are not doing anything to try and overthrow the Nicaraguan Government. As a matter of fact, let's put that in perspective for a moment. Nicaragua today has created the biggest military force in all of Central America and large parts of South America—an army of some 25,000 backed by a militia of 50,000, armed with Soviet weapons that consist of heavy-duty tanks, an air force, helicopter gun ships, fighter planes, bombers and so forth, heavy artillery, and a few thousand Miskito Indians and guerrillas. I don't think it's reasonable to assume that that kind of a force could nurse any ambitions that they can overthrow that government with that great military force. And I think

[52] Boland is quoted in the *New York Times*, April 14, 1983, pp. A1, A8, as saying in reference to congressional restrictions on U.S. assistance to forces opposed to the Nicaraguan Government: "It is my judgment that there has been an apparent violation of the law."

[53] Goldwater is quoted *ibid.*, April 13, 1983, p. A1.

that people should understand some of these things and ask themselves what is the need for them having the biggest army in all of the region.

There are—we are cooperating with the other Central American countries in the region to try and bring democracy and peace to Central America.

Q. Yes. Mr. President, this morning your Assistant Secretary of State for Inter-American Affairs, Mr. Enders, told the House Foreign Affairs meeting that there was a possibility Cuba or the Soviet Union may introduce high performance aircraft or even Cuban troops into Nicaragua.[54] Do you have any information about any impending possibility of this? And, if so, what would be the American response to that move?

THE PRESIDENT. No, I think—I'm not going to answer a hypothetical question with a hypothetical answer. And I only know that that possibility does exist because the Soviet Union, by way of Cuba, has been engaged already. May I remind you that at the inauguration of the revolutionary government when it took over, Castro was present and a representative of the Soviet Union and both of them openly hailed Nicaragua as the first Communist country on the mainland of the Western Hemisphere.

Q. Mr. President, could I ask a domestic question?

THE PRESIDENT. What?

Q. Mr. President—

Q. Could I ask a question on a domestic issue?

Q. Mr. President, considering what you've just said about Nicaragua and your past statements about how it is a staging area there, doesn't the United States want that government replaced? And is there anything that you feel that we should be doing within the law to have that government in Nicaragua replaced with a democratic one?

THE PRESIDENT. We, of course, as I said—anything that we're doing is aimed at interdicting these supply lines and stopping this effort to overthrow the El Salvador Government. But what I might personally wish or what our government might wish still would not justify us violating the law of the land.

Q. You're not doing anything to overthrow the government there?

THE PRESIDENT. No, because that would be violating the law.

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[54] For Enders' prepared statement, see Department of State *Bulletin*, June 1983, pp. 76–80.

Document 622

Transcript of a Joint Press Conference by the Secretary of State (Shultz) and the Secretary of the Treasury (Regan) En Route to Mexico City, April 17, 1983[55]

The Relationship Between Mexico and the United States

SECRETARY SHULTZ. We plan to discuss the relationships between Mexico and the United States and to review, under the umbrella of a longstanding binational commission, a variety of issues that come along; to renew our sense of ability to deal with these issues. It's a kind of a problem solving type of mission. It is a new government here under President de la Madrid and this will be the first high level visit with them.[56] We've been seeking to arrange this for some time and this was the first time when we were able to find a mutually convenient date for it.

Q. Is there anything, sir, about Central America that you're going to ask or want to discuss with the Mexicans in terms of their role in any kind of negotiation or resolution to that whole problem?

SECRETARY SHULTZ. Developments in Central America are clearly of great concern to us and to the Government of Mexico, understandably in both cases, and

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[55] Source: Department of State Press Release 111, April 19, 1983. Secretary of Commerce Malcolm Baldrige accompanied Secretaries Shultz and Regan on the trip to Mexico.

[56] Miguel de la Madrid Hurtado took office December 1, 1982.

I think it's going to be important for us both to exchange ideas and information and to see what patterns of collaboration, if any, we can work out in helping the people there to deal with those problems. Neither of us want to see warfare there; both of us want to see stability in that region. And so I'm sure it's going to be a matter that both parties will want to talk about.

Q. The United States and Mexico are on a collision on Central America. They recognize Nicaragua and Cuba; they are for negotiations; you oppose them. We have the feeling that the two countries are talking past each other.

SECRETARY SHULTZ. Well, we're going to talk to each other, that's the point and we'll see what information we may be able to provide mutually and whether or not there are things we can do.

Q. Should we, Mr. Secretary, on this trip be looking for anything, that is to say by way of some new initiative that may emerge to—that would pursue a solution in El Salvador, Central America—or is that too ambitious out of this trip?

SECRETARY SHULTZ. Well, I don't know of any new initiative that might be talked about, but we're certainly going to discuss these issues and if we can find something that we think could be useful we'll certainly be ready to pursue it.

Q. You said the other day there's a fair distance between the point of view of Mexico and the point of view of Washington?

SECRETARY SHULTZ. It was just described, fairly.

Q. Mr. Secretary, you saw Don's story in the *Post* today about the U.S. proposed reactions under discussion, including direct use of U.S. air and naval power, etc., United States considering contemplating various strong military political measures, in response to potential escalation of military activity in Central America by Cuba and the Soviet Union.[87] Can you tell us about what, in fact, the administration is contemplating, or do you see any such move by the Soviets?

SECRETARY SHULTZ. The adminstration is not contemplating any Americanization of the conflict in Central America. We observe and have said on a number of occasions, obviously a large flow of armaments from the Soviet Union to Cuba, from Cuba to Nicaragua and on into the adjacent countries and into El Salvador. We see Cuban advisers in large numbers in Nicaragua and we see a stridency in rhetoric that is very Soviet-oriented in its tone, and so it seems clear that there is a growing Soviet-Cuban influence in Nicaragua. I don't know whether that was what was being referred to in the story or not. I just glanced at it here.

Q. What it talks about is that the administration is contemplating proposed reactions, those under discussion include direct use of U.S. air and naval power, dispatching U.S. Air Force jets to the area to offset Soviet-made jets, etc?

SECRETARY SHULTZ. I don't know—well, I'm not going to comment on a news story when I don't know what its sources are, not me.

Q. Forgetting his sources, is the story accurate?

SECRETARY SHULTZ. I think it has been said that AWACS are in use in the region as a matter of intelligence gathering.

Q. You're not going to take this question, is that it?

SECRETARY SHULTZ. I said there is no plan, that I know of, to Americanize that war and the things that are described there are by way of Americanizing the war.

Q. Are you planning on going to the Middle East soon? This week—Thursday?

SECRETARY SHULTZ. I don't have any current plan to go to the Middle East. I'm not saying that I won't. I will go when there is something constructive to be accomplished.

Q. Are you going to name some sort of senior adviser to try to accelerate the possibility of finding some solution for El Salvador?

SECRETARY SHULTZ. Well, that formulation of a high-level person that might be useful to the Government of El Salvador is certainly under consideration. I think to be useful, the Government of El Salvador

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[87] Reference is to an article by Don Oberdorfer in the *Washington Post*, April 17, 1983, p. A1.

has to think so—not just the Government of the United States.

Q. Do you have any person in mind?

SECRETARY SHULTZ. And I think that if someone is named it might be somebody from the United States, but not necessarily.

Q. Sir, what do we want from the Mexican Government in terms of Central America? I mean for the past few years basically we haven't been happy with Mexico because of its position on Nicaragua. At this point, what do you want?

SECRETARY SHULTZ. Well, I don't want to sort of pre-stage what I intend to say to them before we get there and talk about it. So, I think I'll just leave it at that.

Q. How serious is their economic crisis?

SECRETARY REGAN. Mexico is trying to work its way out of its economic difficulties. They have a sensible plan; they are trying to bring their inflation under control; they're trying to provide more jobs; they're trying to cut down on their money supply; they have been helped in their balance of payments by IMF loans, VIS [*BIS*] loans, loans from the U.S. Government of a temporary nature, plus, of course, loans from commercial banks. All of these should take up the slack as far as their balance of payments problems are concerned.

Q. Does their situation look a lot better now than it did say last August?

SECRETARY REGAN. A great deal better as a result of the measures that the de la Madrid government has taken in order to get sustained economic growth for Mexico.

Q. Do you think they will need further commercial bank loans this year?

SECRETARY REGAN. At the present time, it does not look that way but that's not to say that the situation might change depending upon what happens in the world's economy or prices of oil or other things of that nature.

Q. Hasn't the falling oil prices knocked the stuffing out of their foreign exchange?

SECRETARY REGAN. Well, falling oil prices are not helpful, obviously, to their foreign exchange. It's a question of how much oil can they sell and at what price. However, were interest rates to decline, that would more than offset the fall in the oil prices.

Q. Is the United States prepared, if necessary, to help Mexico now?

SECRETARY REGAN. Well, that's one of the things that we will be discussing with Mexico. At the current time no additional help is needed.

Q. Interest rates falling where?

SECRETARY REGAN. Interest rates falling worldwide. Their loans are at floating rates. Either based upon the London and the interbank rate, LIBOR, or based upon the American prime and usually these two go fairly well together in parallel.

Q. Mr. Secretary, will there be any effort on the part of the United States to use the economic leverage given Mexico's debt position, etc., to get them to mute some of their differences with the United States on policies toward Central America?

SECRETARY REGAN. I don't think that those two necessarily tie in one to the other. I think Mexico is our third largest trading partner and it's up to us to try to help Mexico and its economy for our own selfish good. The big switch that was made in 1982, wherein they, instead of we having a surplus with them, we ended up with a deficit in trade, a swing of some $8 billion as a result of their having to cut back in their economy. So it's in our interest to try to help them get their economy started.

Q. Are you ruling out any use of economic leverage?

SECRETARY REGAN. Well, we don't use economic leverage in that sense of the term, no.

Q. What are you using? What sense of the term are you using?

SECRETARY REGAN. Well, we don't use economic leverage from that point of view. We try to help our trading partners.

Q. From our point of view, what do we want from Mexico in terms of their economic situation and in terms of the whole situation there?

SECRETARY REGAN. Well, if Mexico gets back into a growth situation, where they

can once again start importing more than they were, we in the United States will get a good share of that business.

Q. But is there anything that we want in terms of their policies at this point—their economic policies?

SECRETARY REGAN. No, we think that the program that the Mexicans have worked out with the IMF is a very sensible program. It's a tough one and we hope they'll be able to carry it out.

Q. How do you explain the fact that we have three Cabinet members on this trip? Isn't it pretty unusual, Mr. Secretary?

SECRETARY SHULTZ. This is an unusual relationship. Mexico is our neighbor. Mexico is our third largest trading partner. There are 200 million legal border crossings per year. We live in the same area—the area has a lot of turmoil in it. When we review all of the issues, they fall across a wide spectrum. So, I think it's important to us and the fact that there are three Cabinet officers going is an indication of our view that it is important.

Q. Do you think there's going to be any change of point of view on Central America? The United States has its position—no negotiations, no shooting their way in, etc., no recognition, the indictment of Nicaragua. We know what the Mexican position is. Do you think that as a result of this trip there will be any shifts in positions?

SECRETARY SHULTZ. We'll have to see, but we'll certainly spend time talking about the issues. We'll explain our view and listen to theirs and see if there are any areas where we might collaborate effectively.

Q. Is the appointment of a high-level intermediary a precondition for approval of the $60 million aid request by the House subcommittee?

SECRETARY SHULTZ. There has been discussion about that and Congressman Long has been putting this idea forward for quite some time and we've been thinking about it and talking to him about it and trying to on the one hand get clarity on what he has in mind and, on the other hand consider ourselves—what, if anything, might be useful.

Q. Wouldn't a foreign mediator make a lot more sense than an American mediator?

SECRETARY SHULTZ. I think when it comes to mediators an awful lot depends upon the person as distinct from where that person might come. Well, if there is somebody, it might very well be a U.S. person, a Foreign Service top person or maybe somebody not of the Government; or it might be somebody from outside the United States. But I think the key thing is that the person be well-versed in the area and have the stature and kind of sense or savvy that would make that person effective.

Q. I can't imagine who in the United States would have credibility within the guerrilla movement?

SECRETARY SHULTZ. The point is to help the Government of El Salvador define conditions under which people could come into the electoral process that are genuinely credible conditions. And I think that's quite a possible thing to do. Now whether the guerrillas will come into the democratic process or not is certainly an open question.

Q. Mr. Secretary, if this high senior level negotiator were named, would the United States—would you shift the U.S. position in any way against shooting their way into power or stay within the same ground rules?

SECRETARY SHULTZ. There is no shift—no contemplated shift and you asked about this and we've talked about it as though it's sort of an imminent possibility and I wouldn't want to turn it into your lead or anything like that. It's something that Congressman Long has been talking about and he has some leverage and there's also—there's merit to the idea but it has to be considered and there's some downsides, too, if it isn't done right.

Q. The *Post* made it their lead this morning—that's why we're talking about it.

SECRETARY SHULTZ. Some news day! (Laughter) Thank you very much.

Q. Thank you.

Document 623

Address by President Reagan to a Joint Session of the Congress, April 27, 1983 [58]

"The National Security of All the Americas Is At Stake in Central America"

Thank you. (Applause) Mr. Speaker, Mr. President, distinguished Members of the Congress, honored guests, and my fellow Americans, a number of times in past years, Members of Congress and a President have come together in meetings like this to resolve a crisis. I have asked for this meeting in the hope that we can prevent one. (Applause)

It would be hard to find many Americans who aren't aware of our stake in the Middle East, the Persian Gulf, or the NATO line dividing the free world from the Communist bloc. The same could be said for Asia.

But in spite of, or maybe because of, a flurry of stories about places like Nicaragua and El Salvador and, yes, some concerted propaganda, many of us find it hard to believe we have a stake in problems involving those countries. Too many have thought of Central America as just that place way down below Mexico that can't possibly constitute a threat to our well being. And that's why I've asked for this session. Central America's problems do directly affect the security and the well being of our own people. And Central America is much closer to the United States than many of the world trouble spots that concern us. So, we work to restore our own economy, we cannot afford to lose sight of our neighbors to the South.

El Salvador is nearer to Texas than Texas is to Massachusetts. Nicaragua is just as close to Miami, San Antonio, San Diego, and Tucson as those cities are to Washington where we're gathered tonight.

But nearness on the map doesn't even begin to tell the strategic importance of Central America, bordering as it does on the Caribbean—our lifeline to the outside world. Two-thirds of all our foreign trade and petroleum pass through the Panama Canal and the Caribbean. In a European crisis, at least half of our supplies for NATO would go through these areas by sea. It's well to remember that in early 1942 a handful of Hitler's submarines sank more tonnage there than in all of the Atlantic Ocean. And they did this without a single naval base anywhere in the area.

And today the situation is different. Cuba is host to a Soviet combat brigade, a submarine base capable of servicing Soviet submarines and military air bases visited regularly by Soviet military aircraft.

Because of its importance, the Caribbean Basin is a magnet for adventurism. We are all aware of the Libyan cargo planes refueling in Brazil a few days ago on their way to deliver "medical supplies" to Nicaragua. Brazilian authorities discovered the so-called "medical supplies" were actually munitions, and prevented their delivery.

You may remember that last month, speaking on national television, I showed an aerial photo of an airfield being built on the island of Grenada. [59] Well, if that airfield had been completed, those planes could have refueled there and completed their journey.

If the Nazis during World War II and the Soviets today could recognize the Caribbean and Central America as vital to our interests, shouldn't we, also? (Applause) For several years now, under two administrations, the United States has been increasing its defense of freedom in the Caribbean Basin. And I can tell you tonight, democracy is beginning to take root in El Salvador which, until a short time ago, knew only dictatorship. The new government is now delivering on its promises of democracy, reforms, and free elections. It was not easy. And there was resistance to many of the attempted reforms, with assassinations of some of the reformers.

Guerrilla bands and urban terrorists were portrayed in a worldwide propaganda campaign as freedom fighters, representative of the people. Ten days before I came into office, the guerrillas launched what they called "a final offensive" to

[58] Source: White House Press Release, April 27, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, May 2, 1983, pp. 608–614. The source text is the text as actually delivered.

[59] For text of the President's speech of March 23, 1983, see document 13.

overthrow the government. And their radio boasted that our new administration would be too late to prevent their victory.

Well, they learned that democracy cannot be so easily defeated. President Carter did not hesitate. He authorized arms and munitions to El Salvador. The guerrilla offensive failed but not America's will. Every President since this country assumed global responsibilities has known that those responsibilities could only be met if we pursued a bipartisan foreign policy.

As I said a moment ago, the government of El Salvador has been keeping its promises—like the land reform program which is making thousands of farm tenants, farm owners. In a little over 3 years, 20 percent of the arable land in El Salvador has been redistributed to more than 450,000 people. That is one in ten Salvadorans who have benefited directly from this program.

El Salvador has continued to strive toward an orderly and democratic society. The government promised free elections. On March 28th, a little more than a year ago, after months of campaigning by a variety of candidates, the suffering people of El Salvador were offered a chance to vote—to choose the kind of government they wanted. Suddenly the so-called freedom fighters in the hills were exposed for what they really are—a small minority who want power for themselves and their backers—not democracy for the people. The guerrillas threatened death to anyone who voted. They destroyed hundreds of buses and trucks to keep the people from getting to the polling places. Their slogan was brutal: "Vote today, die tonight." But on election day, an unprecedented 80 percent of the electorate braved ambush and gunfire, and trudged for miles, many of them, to vote for freedom. And that's truly fighting for freedom. We can never turn our backs on that. (Applause)

Members of this Congress who went there as observers told me of a woman who was wounded by rifle fire on the way to the polls, who refused to leave the line to have her wound treated until after she had voted. Another woman had been told by the guerrillas that she would be killed when she returned from the polls, and she told the guerrillas, "You can kill me, you can kill my family, you can kill my neighbors. You can't kill us all." The real freedom fighters of El Salvador turned out to be the people of that country—the young, the old, the in-between—more than a million of them out of a population of less than 5 million. The world should respect this courage, and not allow it to be belittled or forgotten. And again, I say in good conscience, we can never turn our backs on that. (Applause)

The democratic political parties and factions in El Salvador are coming together around the common goal of seeking a political solution to their country's problems. New national elections will be held this year and they will be open to all political parties. The government has invited the guerrillas to participate in the elections and is preparing an amnesty law. The people of El Salvador are earning their freedom and they deserve our moral and material support to protect it. (Applause)

Yes, there are still major problems regarding human rights, the criminal justice system, and violence against noncombatants. And, like the rest of Central America, El Salvador also faces severe economic problems. But, in addition to recession-depressed prices for major agricultural exports, El Salvador's economy is being deliberately sabotaged.

Tonight in El Salvador—because of ruthless guerrilla attacks—much of the fertile land cannot be cultivated; less than half the rolling stock of the railways remains operational; bridges, water facilities, telephone and electric systems have been destroyed and damaged. In one 22-month period, there were 5,000 interruptions of electrical power. One region was without electricity for a third of the year. I think Secretary of State Shultz put it very well the other day: "Unable to win the free loyalty of El Salvador's people, the guerrillas," he said, "are deliberately and systematically depriving them of food, water, transportation, light sanitation, and jobs. And these are the people who claim they want to help the common people." [80] They don't want elections because they know they would be defeated. But, as the previous election showed, the Salvadoran people's desire for democracy will not be defeated.

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[80] For text of the address by Secretary of State Shultz before the World Affairs Council and the Chamber of Commerce in Dallas, Texas, April 15, 1983, see Department of State *Bulletin*, May 1983, pp. 10–13.

The guerrillas are not embattled peasants armed with muskets. They're professionals, sometimes with better training and weaponry than the government's soldiers. The Salvadoran battalions that have received U.S. training have been conducting themselves well on the battlefield and with the civilian population. But, so far, we've only provided enough money to train one Salvadoran soldier out of ten, fewer than the number of guerrillas that are trained by Nicaragua and Cuba.

And let me set the record straight on Nicaragua, a country next to El Salvador. In 1979, when the new government took over in Nicaragua, after a revolution which overthrew the authoritarian rule of Somoza, everyone hoped for the growth of democracy. We in the United States did, too. By January of 1981, our emergency relief and recovery aid to Nicaragua totaled $118 million—more than provided by any other developed country. In fact, in the first 2 years of Sandinista rule, the United States directly or indirectly sent five times more aid to Nicaragua than it had in the 2 years prior to the revolution. Can anyone doubt the generosity and the good faith of the American people?

These were hardly the actions of a nation implacably hostile to Nicaragua. Yet, the Government of Nicaragua has treated us as an enemy. It has rejected our repeated peace efforts. It has broken its promises to us, to the Organization of American States, and, most important of all, to the people of Nicaragua.

No sooner was victory achieved than a small clique ousted others who had been part of the revolution from having any voice in the government. Humberto Ortega, the Minister of Defense, declared Marxism-Leninism would be their guide, and so it is.

The Government of Nicaragua has imposed a new dictatorship. It has refused to hold the elections it promised. It has seized control of most media and subjects all media to heavy prior censorship. It denied the bishops and priests of the Roman Catholic Church the right to say Mass on radio during Holy Week. It insulted and mocked the Pope. It has driven the Miskito Indians from their homelands—burning their villages, destroying their crops, and forcing them into involuntary internment camps far from home. It has moved against the private sector and free labor unions. It condoned mob action against Nicaragua's independent human rights commission and drove the director of that commission into exile.

In short, after all these acts of repression by the government, is it any wonder that opposition has formed? Contrary to propaganda, the opponents of the Sandinistas are not die-hard supporters of the previous Somoza regime. In fact, many are anti-Somoza heroes and fought beside the Sandinistas to bring down the Somoza government. Now, they've been denied any part in the new government because they truly wanted democracy for Nicaragua and they still do. Others are Miskito Indians fighting for their homes, their lands, and their lives.

The Sandinista revolution in Nicaragua turned out to be just an exchange of one set of autocratic rulers for another, and the people still have no freedom, no democratic rights, and more poverty. Even worse than its predecessor, it is helping Cuba and the Soviets to destabilize our hemisphere.

Meanwhile, the Government of El Salvador, making every effort to guarantee democracy, free labor unions, freedom of religion, and a free press, is under attack by guerrillas dedicated to the same philosophy that prevails in Nicaragua, Cuba, and, yes, the Soviet Union. Violence has been Nicaragua's most important export to the world. It is the ultimate in hypocrisy for the unelected Nicaraguan Government to charge that we seek their overthrow when they're doing everything they can to bring down the elected Government of El Salvador. (Applause) Thank you. The guerrilla attacks are directed from a headquarters in Managua, the capital of Nicaragua.

But let us be clear as to the American attitude toward the Government of Nicaragua. We do not seek its overthrow. Our interest is to ensure that it does not infect its neighbors through the export of subversion or violence. Our purpose, in conformity with American and international law, is to prevent the flow of arms to El Salvador, Honduras, Guatemala, and Costa Rica. We have attempted to have a dialogue with the Government of Nicaragua, but it persists in its efforts to spread violence.

We should not—and we will not—protect the Nicaraguan Government from the anger of its own people. But we should, through diplomacy, offer an alternative.

And, as Nicaragua ponders its options, we can and will—with all the resources of diplomacy—protect each country of Central America from the danger of war. (Applause)

Even Costa Rica, Central America's oldest and strongest democracy—a government so peaceful it does not even have an army, is the object of bullying and threats from Nicaragua's dictators.

Nicaragua's neighbors know that Sandinista promises of peace, nonalliance and nonintervention have not been kept. Some 36 new military bases have been built. There were only 13 during the Somoza years.

Nicaragua's new army numbers 25,000 men, supported by a militia of 50,000. It is the largest army in Central America, supplemented by 2,000 Cuban military and security advisors. It is equipped with the most modern weapons—dozens of Soviet-made tanks, 800 Soviet-bloc trucks, Soviet 152-milimeter howitzers, 100 antiaircraft guns, plus planes and helicopters. There are additional thousands of civilian advisors from Cuba, the Soviet Union, East Germany, Libya, and the PLO. And we are attacked because we have 55 military trainers in El Salvador.

The goal of the professional guerrilla movements in Central America is as simple as it is sinister—to destabilize the entire region, from the Panama Canal to Mexico. And if you doubt beyond this point, just consider what Cayetano Carpio, the now-deceased Salvadoran guerrilla leader, said earlier this month. Carpio said that after El Salvador falls, El Salvador and Nicaragua would be "arm-in-arm and struggling for the total liberation of Central America."

Nicaragua's dictatorial junta, who themselves made war and won power operating from bases in Honduras and Costa Rica, like to pretend that they are today being attacked by forces based in Honduras. The fact is, it is Nicaragua's government that threatens Honduras, not the reverse. It is Nicaragua who has moved heavy tanks close to the border, and Nicaragua who speaks of war. It was Nicaraguan radio that announced on April 8th the creation of a new, unified, revolutionary coordinating board to push forward the Marxist struggle in Honduras.

Nicaragua, supported by weapons and military resources provided by the Communist bloc, represses its own people, refuses to make peace, and sponsors a guerrilla war against El Salvador.

President Truman's words are as apt today as they were in 1947 when he, too, spoke before a Joint Session of the Congress:

"At the present moment in world history, nearly every nation must choose between alternative ways of life. The choice is not too often a free one.

"One way of life is based upon the will of the majority, and is distinguished by free institutions, representative government, free elections, guarantees of individual liberty, freedom of speech and religion, and freedom from political oppression.

"The second way of life is based upon the will of a minority forcibly imposed upon the majority. It relies upon terror and oppression, a controlled press and radio, fixed elections, and the suppression of personal freedoms.

"I believe that it must be the policy of the United States to support free people who are resisting attempted subjugation by armed minorities or by outside pressures.

"I believe that we must assist free peoples to work out their own destinies in their own way.

"I believe that our help should be primarily through economic and financial aid which is essential to economic stability and orderly political processes.

"Collapse of free institutions and loss of independence would be disastrous not only for them but for the world. Discouragement and possibly failure would quickly be the lot of neighboring peoples striving to maintain their freedom and independence."

The countries of Central America are smaller than the nations that prompted President Truman's message. But the political and strategic stakes are the same. Will our response—economic, social, and military—be as appropriate and successful as Mr. Truman's bold solutions to the problems of postwar Europe?

Some people have forgotten the successes of those years and the decades of peace, prosperity, and freedom they se-

cured. Some people talk as though the United States were incapable of acting effectively in international affairs without risking war or damaging those we seek to help.

Are democracies required to remain passive while threats to their security and prosperity accumulate? Must we just accept the destabilization of an entire region from the Panama Canal to Mexico on our southern border? Must we sit by, while independent nations of this hemisphere are integrated into the most aggressive empire the modern world has seen? Must we wait while Central Americans are driven from their homes like the more than a million who have sought refuge out of Afghanistan, or the 1½ million who have fled Indochina, or the more than a million Cubans who have fled Castro's Caribbean utopia? Must we, by default, leave the people of El Salvador no choice but to flee their homes, creating another tragic human exodus?

I don't believe there's a majority in the Congress or the country that counsels passivity, resignation, defeatism, in the face of this challenge to freedom and security in our own hemisphere. (Applause)

I do not believe that a majority of the Congress or the country is prepared to stand by passively while the people of Central America are delivered to totalitarianism and we ourselves are left vulnerable to new dangers.

Only last week, an official of the Soviet Union reiterated Brezhnev's threat to station nuclear missiles in this hemisphere five minutes from the United States. Like an echo, Nicaragua's Commandant Daniel Ortega, confirmed that, if asked, his country would consider accepting those missiles. I understand that today they may be having second thoughts. [61]

Now, before I go any further, let me say to those who invoke the memory of Vietnam, there is no thought of sending American combat troops to Central America. They are not needed—(applause). Thank you. And, as I say, they are not needed. And, indeed, they have not been requested there. All our neighbors ask of us is assistance in training and arms to protect themselves while they build a better, freer life.

We must continue to encourage peace among the nations of Central America. We must support the regional efforts now underway to promote solutions to regional problems.

We cannot be certain that the Marxist-Leninist bands who believe war is an instrument of politics will be readily discouraged. It's crucial that we not become discouraged before they do. Otherwise, the region's freedom will be lost and our security damaged in ways that can hardly be calculated.

If Central America were to fall, what would the consequences be for our position in Asia, Europe and for alliances such as NATO? If the United States cannot respond to a threat near our own borders, why should Europeans or Asians believe that we're seriously concerned about threats to them? If the Soviets can assume that nothing short of an actual attack on the United States will provoke an American response, which ally, which friend will trust us then?

The Congress shares both the power and the responsibility for our foreign policy. Tonight, I ask you, the Congress, to join me in a bold, generous approach to the problems of peace and poverty, democracy and dictatorship in the region. Join me in a program that prevents Communist victory in the short run, but goes beyond to produce for the deprived people of the area the reality of present progress and the promise of more to come.

Let us lay the foundation for a bipartisan approach to sustain the independence and freedom of the countries of Central America. We in the administration reach out to you in this spirit.

We will pursue four basic goals in Central America. First, in response to decades of inequity and indifference, we will support democracy, reform and human freedom. This means using our assistance, our powers of persuasion and our legitimate leverage to bolster humane democratic systems where they already exist and to help countries on their way to that goal complete the process as quickly as human institutions can be changed. Elections in El Salvador and also in Nicaragua must be open to all, fair and safe. The international community must help. We will work at human rights problems, not walk away from them.

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[61] See the interview with Ortega, *New York Times*, April 27, 1983, p. A15.

Second, in response to the challenge of world recession and, in the case of El Salvador, to the unrelenting campaign of economic sabotage by the guerrillas, we will support economic development. And by a margin of 2-to-1, our aid is economic now, not military. Seventy-seven cents out of every dollar we will spend in the area this year goes for food, fertilizers, and other essentials for economic growth and development. And our economic program goes beyond traditional aid: The Caribbean Initiative introduced in the House earlier today will provide powerful trade and investment incentives to help these countries achieve self-sustaining economic growth without exporting U.S. jobs.[62] Our goal must be to focus our immense and growing technology to enhance health care, agriculture, industry, and to ensure that we who inhabit this interdependent region come to know and understand each other better retaining our diverse identities, respecting our diverse traditions and institutions.

And, third, in response to the military challenge from Cuba and Nicaragua—to their deliberate use of force to spread tyranny—we will support the security of the region's threatened nations. We do not view security assistance as an end in itself, but as a shield for democratization, economic development, and diplomacy. No amount of reform will bring peace so long as guerrillas believe they will win by force. No amount of economic help will suffice if guerrilla units can destroy roads and bridges and power stations and crops again and again with impunity. But with better training and material help, our neighbors can hold off the guerrillas and give democratic reform time to take root.

And, fourth, we will support dialogue and negotiations—both among the countries of the region and within each country. The terms and conditions of participation in elections are negotiable. Costa Rica is a shining example of democracy. Honduras has made the move from military rule to democratic government. Guatemala is pledged to the same course. The United States will work toward a political solution in Central America which will serve the interests of the democratic process. (Applause)

To support these diplomatic goals, I offer these assurances: The United States will support any agreement among Central American countries for the withdrawal—under fully verifiable and reciprocal conditions—of all foreign military and security advisers and troops.

We want to help opposition groups join the political process in all countries and compete by ballots instead of bullets.

We will support any verifiable, reciprocal agreement among Central American countries on the renunciation of support for insurgencies on neighbors' territory.

And, finally, we desire to help Central America end its costly arms race, and will support any verifiable, reciprocal agreements on the nonimportation of offensive weapons.

To move us toward these goals more rapidly, I am tonight announcing my intention to name an Ambassador-at-Large as my special envoy to Central America. He or she will report to me through the Secretary of State. The Ambassador's responsibilities will be to lend U.S. support to the efforts of regional governments to bring peace to this troubled area and to work closely with the Congress to assure the fullest possible, bipartisan coordination of our policies toward the region.

What I'm asking for is prompt congressional approval for the full reprograming of funds for key current economic and security programs so that the people of Central America can hold the line against externally-supported aggression. In addition, I am asking for prompt action on the supplemental request in these same areas to carry us through the current fiscal year, and for early and favorable congressional action on my requests for fiscal year 1984.

And, finally, I am asking that the bipartisan consensus, which last year acted on the trade and tax provisions of the Caribbean Basin Initiative in the House, again take the lead to move this vital proposal to the floor of both chambers. And, as I said before, the greatest share of these requests is targeted toward economic and humanitarian aid, not military.

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[62] For text of H.R. 2769, see *Caribbean Basin Economic Recovery Act: Hearing Before the Committee on Ways and Means, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 3-33; see also *Caribbean Basin Initiative—1983: Hearing Before the Committee on Finance, United States Senate, Ninety-eighth Congress, First Session* (Washington, 1983).

What the administration is asking for on behalf of freedom in Central America is so small, so minimal, considering what is at stake. The total amount requested for aid to all of Central America in 1984 is about $600 million. That's less than one-tenth of what Americans will spend this year on coin-operated video games.

In summation, I say to you that tonight there can be no question. The national security of all the Americas is at stake in Central America. If we cannot defend ourselves there, we cannot expect to prevail elsewhere. Our credibility would collapse, our alliances would crumble, and the safety of our homeland would be put in jeopardy.

We have a vital interest, a moral duty, and a solemn responsibility.

This is not a partisan issue. It is a question of our meeting our moral responsibility to ourselves, our friends, and our posterity. It is a duty that falls on all of us—the President, the Congress, and the people. We must perform it together. Who among us would wish to bear responsibility for failing to meet our shared obligation?

Thank you and God bless you. (Applause)

Document 624

Transcript of an Interview With President Reagan, May 5, 1983 (Extracts) [63]

Freedom Fighters and Guerrillas

. . . . . .

Q. Mr. President, moving on to another topic, before this session began, you asked why you should not be scolding Members of the House committee that voted yesterday to stop funding for overt operations against Nicaragua. Do you really see any consequences of that action? Does that vote stop you from doing anything, or hinder anything your administration is doing?

THE PRESIDENT. It is in a committee. And there is the Senate yet to go on this. And I would hope that, maybe, we could do better there.

It, also, had an element in it that looked at partisanship, since the vote was on straight party lines. And I do not believe that that reflects the thinking of a great many Democrats, because many of them spoke up right after my speech.

Q. Does this vote indicate that you failed in your objectives in that speech?

THE PRESIDENT. No, as I say, because I know that there are still a great many Democrats who have been quite outspoken, including some of the leadership in the House of their party, in support of what I had proposed—of making this a bipartisan approach, and even being critical of some of their members who did seem to sound partisan.

The thing that needs telling about this whole situation in Nicaragua—I thought I had covered this subject but, maybe, I did not cover it enough the other night. And that is that, right now, these forces that have risen up in opposition to the Sandinista government are—under what you might say is a sort of a group—a controlling body that formed in the northern part of Nicaragua. There are about seven leading members to this kind of committee. Most of them were former anti-Somoza people. They are people who simply want this government of Nicaragua to keep its promises.

If you remember, the Organization of American States asked Somoza to resign at that time. And Somoza, his reply to them was that if it would benefit his country, Nicaragua, he would. And he did resign. [64]

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[63] Source: White House Press Release, May 5, 1983, Office of the Press Secretary to the President. The President was interviewed in the Oval Office beginning at 2:09 p.m. by George Condon of Copley News Service, Bruce Drake of the *New York Daily News*, Sara Fritz of *U.S. News & World Report*, Carl Leubsdorf of the *Dallas Morning News*, Chris Wallace of NBC, and Steve Weisman of the *New York Times*. Only those portions dealing with Central America are printed here.

[64] Resolution II of the Seventeenth Meeting of Consultation of Ministers of Foreign Affairs, June 23, 1979, called for:

Continued

The Organization of American States also gave four points to the Sandinistas that they, the Organization of American States, would support them if their goal was these four things: Of promoting democracy, of immediate elections of a concern for human rights and the Sandinistas acceded to that and said yes, those were their goals and they would keep those four provisions or promises. And they haven't. They never made an effort to keep them. They violated all of them.

Now, this is what makes me say that there's a great hypocrisy there of the Sandinista government protesting what is happening in its own country and from people who were once a part of its own revolution at the same time that they are supporting people in another country who are seeking to overthrow a duly elected government of the people.

Q. Mr. President, you—in referring to these groups, you seem to suggest that these groups are seeking a change in Nicaragua itself. And how does that statement square with your saying that we're not violating the law in aiding groups who seek the overthrow of the Nicaraguan Government?

THE PRESIDENT. Well, do they? Or are they asking that government—or that revolution of which they themselves were a part—asking it to go back to its revolutionary promises and keep faith with the revolution that the people of Nicaragua supported.

Many of these people are businessmen whose businesses have been taken over. They are farmers whose land was seized by this government, farmers whose crops were—they were forced to sell them to the government at less than the cost of production. And they're protesting this violation of what had made them support the revolution to begin with.

But the whole purpose of the Sandinista government seems to be not only with El Salvador but the export of revolution to their other neighbors, to countries that are already democracies. Honduras has taken that step; Costa Rica, the oldest democracy of all. And all of them are plagued by radicals in their midst who are encouraged by the Sandinista government.

Q. Mr. President, I'd like to go back to what the committee actually did yesterday in voting the cutoff. CIA Director Casey is reported to have said it would lead to a bloodbath for the guerrillas inside the country. Do you agree with that? And how seriously do you take what the committee does? How bad would it be if that cutoff of covert aid went through?

THE PRESIDENT. Well, I'm saying if—well, if that became the policy, I think it would set a very dangerous precedent. The executive branch of government and the Congress has a shared responsibility, as I pointed out in my speech, for foreign policy. And we have—we each have a place in formulating foreign policy, but we each have a responsibility also. And I think that what I said about this was that it was very irresponsible. And it was—it literally was taking away the ability of the executive branch to carry out its constitutional responsibilities.

Q. Do you believe that it would lead to the bloodbath that the CIA Director talked about?

THE PRESIDENT. Well, I haven't heard his entire remark in connection with that term or how he described it or what he meant with it. I'll make it a point to find out. I once used a bloodbath term as Governor of California, and one individual reversed it in the press and had it saying the opposite of what I had intended it to say and I never did quite get the situation cleared up.

Q. Well, what—I don't understand. What's wrong with the committee's position? What difference does it make if instead of giving covert aid to the guerrillas in Nicaragua, you give overt aid to the countries of El Salvador and Honduras to stop the flow of weapons through their

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"1. Immediate and definitive replacement of the Somoza regime.

"2. Installation in Nicaraguan territory of a democratic government, the composition of which should include the principal representative groups which oppose the Somoza regime and which reflects the free will of the people of Nicaragua.

"3. Guarantee of the respect for human rights of all Nicaraguans without exception.

"4. The holding of free elections as soon as possible, that will lead to the establishment of a truly democratic government that guarantees peace, freedom, and justice."

For complete text of the resolution and President Somoza's resignation letter of July 16, 1979, see *Report on the Situation of Human Rights in the Republic of Nicaragua*, pp. 2–3 and 7, respectively.

countries, which is what you say you want in the first place? What's wrong with that?

THE PRESIDENT. Except then the only help that you can give is through other governments. And I don't think that—I don't think that's an effective thing to do, and how do you know that the other governments would want to themselves, then, participate in helping the people that need the help? In other words, we'd be asking some other government to do what our own—what our congressional—or our Congress has said that we can't do.

. . . . . .

Q. Mr. President, can I follow up on something you said earlier? Did I understand you to say that if you were forced to stop aid to the Nicaraguan guerrillas, that you would try to funnel through other countries?

THE PRESIDENT. No, I was saying that's what the Committee said, that the Committee said we would have to go overt, and, then, in going overt, you can only give money to another government. And, if you did that, then you would have to be depending on—well, maybe those other governments in Central America would give that money to the freedom fighters in Nicaragua.

Now, if they want to tell us that we can give money and do the same things we've been doing—money, giving, providing subsistence, and so forth to these people directly and making it overt instead of covert—that's all right with me. I just don't want the restrictions put on it that they might put on.

Q. You'd be willing to accept the idea of overt aid to the anti-Sandinista guerrillas in Nicaragua?

THE PRESIDENT. Yes, but not if they do it as one individual or more than one, as suggested on the Hill—that they would do it and, then, we would have to enforce restrictions on the freedom fighters as to what tactics they could use.

And I have said that if we were to do that, then I would expect that the only fair thing would be that the Nicaraguan Government would itself impose the same restrictions on the freedom in El Salvador, only I don't call them freedom fighters because they've got freedom and they're fighting for something else. They're fighting for a restraint on freedom.

Q. Can I just—all of a sudden now we're aiding freedom fighters. I thought we were just interdicting supplies into—

THE PRESIDENT. I just used the word, I guess, "freedom fighters" because the fact that we know that the thing that brought those people together is the desire, as I said, for the same revolutionary principles that they once fought and have been betrayed in. As I say, they have made it plain. They want what they once fought beside the Sandinistas to get. And they have been betrayed. And I thought that the use of freedom fighters was because—I found out that it seems as if there is a kind of a bias in the treatment of guerrilla fighters. It depends on what kind of a government they are opposing. And some are treated more kindly than others.

Now, I think the ones in El Salvador who are fighting against an elected government, they are guerrillas. But in reality, when we talk about Nicaragua and everyone says, "the Government in Nicaragua," well, it was a government out of the barrel of a gun. And, true, we favored it before I got here. We did not lift a hand for the existing Government of Nicaragua, because we did not believe that it was treating its people fairly.

And here was a revolution that took place that seemed to express all the things that we all believe in. Well now, they have not carried out those things. And they are there by force. And what really—other than being in control of the capital, you might say, and having a handle on all the levers—what makes them anymore a legitimate government than the people of Nicaragua who are asking for a chance to vote for the kind of government they want?

THE PRESS. Thank you, Mr. President.

Document 625

Announcement by the White House, May 10, 1983 [65]

Changes in the U.S. Sugar Import Quota

The President today announced changes in the administration of the quota on U.S. imports of sugar for four Central American countries. The quota for Nicaragua will be reduced to 6,000 short tons (ST), and this reduction will be re-allocated to three neighboring countries: Honduras, Costa Rica and El Salvador. This action will become effective in fiscal year 1984 (which begins October 1, 1983).

The President is taking this action because of the extraordinary situation in Central America and its implications for the United States, and the region as a whole, including Honduras, Costa Rica and El Salvador. These three countries are experiencing enormous problems, caused in considerable part by Nicaraguan-supported subversion and extremist violence. The additional quota for these three countries represents a total of roughly $14 million in foreign exchange per year. This occurs because the U.S. internal price (21–22 cents/lb. in recent weeks is far higher than in most other markets of the world (6–7 cents/lb.). The transfer of the Nicaraguan quota will significantly benefit the recipient countries.

By denying to Nicaragua a foreign exchange benefit resulting from the high U.S. sugar price, we hope to reduce the resources available to that country for financing its military buildup, and its support for subversion and extremist violence in the region.

This is a signal of the U.S. seriousness with regard to the economic and political stability of its neighbors in the hemisphere which is integrally related to the security of the region and the United States. The United States will continue to respond to developments in that region.

The sugar quota decision does not affect our continued willingness to talk with the Nicaraguans about regional issues. We are ready to maintain as positive a relationship with Nicaragua as warranted by Nicaraguan actions.

Nicaragua's present quota is 58,800 ST, while that for Honduras is 28,000 ST; for Costa Rica 42,000 ST; and for El Salvador 72,800 ST.

The transfer from the Nicaraguan quota will be allocated to the countries as follows: Honduras 52 percent, Costa Rica 30 percent and El Salvador 18 percent. This allocation is based on a comparison of actual recent shipments (1979–81) to the United States from these countries and their present quotas (which are derived from shipment shares from 1975 to 1981). Consequently, the country which has had the fastest growth of its sugar industry and exports since 1975, Honduras, will receive the largest share of the transferred quota.

This is not a fundamental change in the overall sugar program. The quotas of all countries other than the four specified above are unchanged and continue to be based on the formula announced in May 1982 when the quota program was initiated. [66]

Document 626

Resolution 530 (1983) Adopted by the U.N. Security Council, May 19, 1983 [67]

Commendation of the Peace Efforts of the Contadora Group

The Security Council,

Having heard the statement of the Foreign Minister of the Republic of Nicaragua,

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[65] Source: White House Press Release, May 10, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, May 16, 1983, p. 695.

[66] See Proclamation 4941, May 5, 1982, *ibid.*, May 10, 1982, pp. 580–583.

[67] Source: U.N. document S/RES/530 (1983). The resolution was adopted unanimously. The Security Council held seven meetings, May 9, 13, 16, 17, 18, and 19, 1983, in response to a complaint by Nicaragua. (U.N. document S/15746 (1983))

Having also heard the statements of various States Members of the United Nations in the course of the debate,

Deeply concerned, on the one hand, at the situation prevailing on and inside the northern border of Nicaragua and, on the other hand, at the consequent danger of a military confrontation between Honduras and Nicaragua, which could further aggravate the existing crisis situation in Central America,

Recalling all the relevant principles of the Charter of the United Nations, particularly the obligation of States to settle their disputes exclusively by peaceful means, not to resort to the threat or use of force and to respect the self-determination of peoples and the sovereign independence of all States,

Noting the widespread desire expressed by the States concerned to achieve solutions to the differences between them,

Commending the appeal of the Contadora group of countries, Colombia, Mexico, Panama and Venezuela, in its 12 May 1983 communiqué (S/15762) that the deliberations of the Council should strengthen the principles of self-determination and non-interference in the affairs of other States, the obligation not to allow the territory of a State to be used for committing acts of aggression against other States, the peaceful settlement of disputes and the prohibition of the threat or use of force to resolve conflict,

Considering the broad support expressed for the efforts of the Contadora Group to achieve solutions to the problems that affect Central American countries and to secure a stable and lasting peace in the region,

1. *Reaffirms* the right of Nicaragua and of all the other countries of the area to live in peace and security, free from outside interference;

2. *Commends* the efforts of the Contadora Group and urges the pursuit of those efforts;

3. *Appeals* urgently to the interested States to co-operate fully with the Contadora Group, through a frank and constructive dialogue, so as to resolve their differences;

4. *Urges* the Contadora Group to spare no effort to find solutions to the problem of the region and to keep the Security Council informed of the results of these efforts;

5. *Requests* the Secretary-General to keep the Security Council informed of the development of the situation and of the implementation of the present resolution.

Document 627

Address by President Reagan Before a Cuban Independence Day Celebration, Miami, May 20, 1983 [68]

"Viva Cuba Libre" "Cuba, Si; Castro, No"

Thank you. Thank you all very much. Senator Hawkins—(interruption from the audience)—I don't know what—Members of the Congress, Jorge Mas, Carlos Salman, ladies and gentlemen, it's a great pleasure for me to be with a group of Americans who have demonstrated how much can be accomplished when people are free. Many of you arrived in this country with little more than the shirts on your backs and a desire to improve your well-being and that of your family. You came with a willingness to work, and, yes, a consuming passion for liberty. There's a name for this kind of spirit, it's called the American spirit, and there's no limit to what it can do.

But let me interrupt myself here and say something about that American spirit. We could also say it's a Western Hemisphere spirit because one of the great unique things about this Western Hemisphere is that in all of our countries, yours, from the islands of the Caribbean to South, to Central America and to North America, from the South Pole to the North Pole, with all of our countries, we can cross the boundary line into another country and we're still surrounded by Americans be-

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[68] Source: White House Press Release, May 20, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, May 30, 1983, pp. 751–755. The President spoke at 1:35 p.m. in the Dade County Auditorium. The source text is the text as actually delivered.

cause we are all Americans here in the Western Hemisphere. (Applause)

Examples of this spirit abound. Jorge Mas, Chairman of the Cuban American National Foundation came here 20 years ago, worked as a milkman to support himself. Today he owns a construction company that provides hundreds of people with meaningful employment. And when he isn't running his country—or company, he's immersed in activities like this one, trying to protect the freedom that has been so important in his life. Jorge Mas, thank you for all that you've done and all you're doing. (Applause)

But Jorge's success story is no isolated example. There are so many. You know them. People like Armando Codina, who came here alone as a child, his parents unable to leave Cuba, so he was sent to an orphanage and then to a foster home. It took courage for this little boy to begin his new life. But now, at 35, he has a string of business accomplishments of which any individual many years his senior would be proud. (Applause)

The world renowned ballet dancer, Fernando Bujones, is a Cuban American. (Applause)

In my administration, we have Jose Manuel Casanova. (Applause) He is the United States Executive Director of the Inter-American Development Bank.

And I have an announcement to make today that concerns another outstanding Cuban American, Dr. Jose Sorzano. (Applause) He is currently our representative on the Economic and Social Council of the United Nations. He is a distinguished scholar specializing in political philosophy, history, and Latin America. And I want you to know—to be the first to know that I intend to nominate Dr. Sorzano to be one of our nation's highest diplomats to the post of Deputy U.S. Representative to the United Nations. (Applause)

One of the TV cameramen today is Eduardo Suarez. He came to America just a few short years ago, and recently won a Florida Emmy for his excellence as a television news photographer. Eduardo, congratulations. (Applause)

The list goes on and on. People from every walk of life, or every race and family background have made their mark in just about every corner of American society. A few months ago, I was honored to welcome to the White House a famous runner, Alberto Salazar. (Applause) I didn't know what to say. He gave me a pair of running shoes—(laughter)—but I am not sure what kind of a race he wanted me to run in. (Laughter) (Applause)

Clearly, this country in America, the United States, has been good for you. But you have, also, been good for all of America and for the United States, and for Miami. (Applause) And I add, and for Miami. Twenty-five years ago, there were those who thought Miami had reached its peak and was on the way down. The economy seemed stagnant. There was little hope in sight. Today, Miami is a vibrant international center, a gateway to Latin America. (Applause)

The stark contrast between your life and that of the neighbors and loved ones that you left behind in Cuba stands as evidence to the relationship between freedom and prosperity.

About 10 million people still live in Cuba, as compared to about 1 million Cuban Americans, people with the same traditions and cultural heritage; yet the Cubans in the United States with only one-tenth the number produce almost two times the wealth of those they left behind. So don't let anyone fool you, what's happening in Cuba is not a failure of the Cuban people, it's a failure of Fidel Castro and of communism. (Applause)

The Soviet Union with all its military might, with its massive subsidy of the Cuban economy, can't make the system produce anything but repression and terror.

It reminds me of the story—I happen to collect stories that the Soviet people are telling each other, the Russian people. It indicates their cynicism with their own system. This is a story of a commissar who visited one of their collective farms and he stopped the first farmer, workman that he met and asked about life on the farm and the man said, "It's wonderful. I've never heard anyone complain about anything since I've been here." And the commissar then said, "Well, what about the crops?" "Oh," he said, "the crops are wonderful." "What about the potatoes?" "Oh, sir," he said, "the potatoes," he said, "there are so many that if we put them in one pile they would touch the foot of God." And the commissar said, "Just a minute, in the Soviet Union there is no God." And the

farmer said, "Well, there are no potatoes either." (Laughter) (Applause)

Cuban Americans understand perhaps better than many of their fellow citizens that freedom is not just the heritage of the people of the United States. It is the birthright of the people of this hemisphere. We in the Americas are descended from hearty souls, pioneers, men and women with the courage to leave the familiar and start fresh in this, the "New World." We are, by and large, people who share the same fundamental values of God, family, work, freedom, democracy, and justice.

Perhaps the greatest tie between us can be seen in the incredible number of cathedrals and churches found throughout the hemisphere. Our forefathers took the worship of God seriously.

Our struggles for independence and the fervor for liberty unleashed by these noble endeavors bind the people of the "New World" together. In the annals of human freedom, names like Bolivar and Marti rank equally with Jefferson and Washington. (Applause) These were individuals of courage and dignity. And they left for us a legacy, a treasure beyond all imagination.

But today a new colonialism threatens the Americas. Insurgents, armed and directed by a faraway power, seek to impose a philosophy that is alien to everything in which we believe and goes against our birthright. It's a philosophy that holds truth and liberty in contempt and is a self-declared enemy of the worship of God. Wherever put into practice, it has brought repression and human deprivation. There is no clearer example of this than Cuba.

The people of Cuba have seen their strong independent labor movement, which existed before 1959, destroyed by a regime that shouts slogans about its concern for the workers; the suppression of the church—including the right of the church to broadcast and print God's word. It is a new fascist regime, where freedom of speech and press of every opposition group has been stamped into the ground with ideological zeal. And it doesn't stop there. Young Cubans are pressed into the military and sent to faraway lands, where hundreds have been killed, to do the bidding of a foreign government, defiling their hands with the blood of others, not serving their own interests, but propping up leaders who have no popular support.

But the people of Central America, with our support, have chosen a different course—freedom, pluralism, and free economic development. They—and we—are committed to this course and will not tolerate Mr. Castro's efforts to prevent it. (Applause) They, and we, want Central America for Central Americans and that's the way it's going to be. (Applause)

The declining Castro economy continues to make a grotesque joke out of the ideological claims that Marxism is for the people. Nearly a quarter of a century after the Cuban revolution, the Cuban people continue to face shortages and rationing of basic necessities. Once one of the most prosperous countries in all of Latin America, it is rapidly becoming the most economically backward in the region, thanks to the Communist system.

You know, they say there are only two places where communism works: in heaven where they don't need it (laughter)—and in hell where they've already got it. (Laughter) (Applause)

And now, there is strong evidence that Castro officials are involved in the drug trade, peddling drugs like criminals, profiting on the misery of the addicted.[89] I would like to take this opportunity to call on the Castro regime for an accounting. Is this drug peddling simply the act of renegade officials? Or is it officially sanctioned by the present Government of Cuba? The world deserves an answer.

On this day, we celebrate Cuban independence, something special for the people of the United States as well as Cuba. Eighty-five years ago, we joined together and fought side-by-side, shedding our blood to free Cuba from the yoke of colonialism. Sadly, we must acknowledge that Cuba is no longer independent. Let me assure you. We will not let this same fate befall others in the hemisphere. We will not permit the Soviets and their henchmen in Havana to deprive others of their freedom. (Applause) We will not allow them to do that to others. And some day Cuba, itself, will be free. (Applause)

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[89] See *The Cuban Government's Involvement in Facilitating International Drug Traffic: Joint Hearing Before the Subcommittee on Security and Terrorism of the Committee on the Judiciary and the Subcommittee on Western Hemisphere Affairs of the Foreign Relations Committee and the Senate Drug Enforcement Caucus, United States Senate, Ninety-eighth Congress, First Session* (Washington, 1983).

The United States stands at a crossroads. We can no longer ignore this hemisphere and simply hope for the best. Jose Marti, the hero of Cuban independence, a man who spent so many years of his life with us in the United States, said it well: "It is not enough to come to the defense of freedom with epic and intermittent efforts when it is threatened at moments that appear critical. Every moment is critical for the preservation of freedom." (Applause)

Now is the time to act reasonably and decisively to avert a crisis and prevent other people from suffering the same fate as your brothers and sisters in Cuba. Ironically, our biggest obstacle is not foreign threats, but a lack of confidence and understanding. There are far too many trying to find excuses to do nothing. If we are immobilized by fear or apathy by those who suggest that, because our friends are imperfect, we shouldn't help them, if those trying to throw roadblocks in our path succeed and interpose themselves at a time when a crisis could still be averted, the American people will know who is responsible and judge them accordingly. (Applause)

But as I told the Congress a few weeks ago, we've still got time and there is much that can be done. The Congress can, for example, enact those trade and tax provisions of the Caribbean Basin Initiative that will put the power of free enterprise to work in the Caribbean. The Congress rightly believes that we must not totally focus our efforts on building the military capabilities of our friends. I agree. That's why 75 percent of what we've asked for is economic, not military aid.

But we must realize that our friends cannot be expected to stand unarmed against insurgents who've been armed to the teeth by the Soviet-Cuban-Nicaraguan Axis. (Applause) Any excuse for not providing our friends the weapons they need to defend themselves is a prescription for disaster. And, again, those who advocate ignoring the legitimate defense needs of those under attack will be held accountable if our national security is put in jeopardy.

Teddy Roosevelt is known to have said, "Speak softly and carry a big stick." (Applause) Well, there are plenty of soft speakers around; but that's where the similarity ends. (Applause)

Let there be no mistake. What happens in Latin America and the Caribbean will not only affect our nation but also will shape America's image throughout the world. If we cannot act decisively so close to home, who will believe us anyway. (Applause) Knowing this, I recently nominated a special envoy, a strong leader, an individual eminently qualified to represent us in this vital region and to work closely with the Congress to insure the fullest possible bipartisan cooperation. He's a man in whom I have the highest confidence and respect, a man you know well, former Senator Richard Stone. [70] (Applause)

When Senator Stone is confirmed, he will be directly involved with those seeking regional solutions to the problems in Central America. We are fully supportive of good faith efforts like the so-called "Contadora Group," seeking to calm tensions and avert conflict. We hope that they will be able to make progress and we welcome the participation of all nations in the Americas who have a vital stake in Central America.

There is, of course, one top priority item on the agenda I've yet to mention. The Cuban people, as is the case in most Communist dictatorships, have been cut off from information. Many of the folks who have come to America in recent years, for example, didn't even know that Cuba had tens of thousands of troops in Africa, much less know about the casualties they've suffered. The greatest threats to dictators like Fidel Castro is the truth. And that's why I'm urging the Congress to approve legislation for the establishment of Radio Marti. [71] (Applause)

And let me state one thing for the record. There have been certain threats made about jamming the frequency of our domestic radio stations should we broadcast to Cuba. Such threats are evidence of the frightened and tyrannical nature of Castro's regime. Well, I can guarantee you

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[70] For text of the President's announcement of April 28, 1983, and a press conference by Senator Stone on the same day, see *Weekly Compilation of Presidential Documents*, May 2, 1983, pp. 520 and 517–520, respectively.

[71] Regarding Radio Martí, see *Radio Broadcasting to Cuba: Hearing Before the Committee on Foreign Relations, United States Senate, Ninety-eighth Congress, First Session* (Washington, 1983); and *American Foreign Policy: Current Documents, 1982*, p. 1396.

today, we will never permit such a government to intimidate us from speaking the truth. (Applause)

(Audience: "Reagan. Reagan. Reagan.")

Cuban Americans play a unique role in the preservation of our freedom. Your Hispanic heritage enables you to better relate our goodwill to our friends in neighboring countries to the south. But, you also have a responsibility here at home. I think one of our most dangerous problems in America is that many of our own people take our blessed liberty for granted. In 1980, a Cuban scholar named Heberto Padilla came to the United States after spending 20 years under Castro. He marveled at what he saw, something that he hadn't even noticed during his visit here 20 years ago.

When visiting the campuses of our major universities he said, "I am struck by something that will be obvious to all Americans: No one, Government official or colleague, has asked me what I was going to say in the seminars and courses that I'm going to give this fall. This is new for me. Simple, but true. It is difficult to ask anyone born into freedom to realize exactly what she or he possesses."

Well, Mr. Padilla went on to explain that freedom is invisible. It is the absence of the government censor, the absence of the secret police, the absence of an agent of repression.

I couldn't help but think when those beautiful young people were here singing our two national anthems, so many—and so many of you only know about the Cuba that some of us know about, the Free Cuba, from hearing us talk about it. And you have a great responsibility to make sure that your sons and daughters growing up know of that other Cuba and share in your hopes and dreams. And we all have a responsibility to see that our young people in America who have come along at a later time know about a Cuba that was free.

Perhaps the best gift that you can give to your fellow citizens, and you've already contributed so much to our well-being, is a better understanding of that which they cannot see, the human freedom that surrounds them. (Applause) Perhaps you can help them understand something that you know instinctively, the awesome responsibility that we have as Americans. For if we fail there will be no place for free men to seek refuge. I'm counting on you to help me explain the threats in Central America, the threats you recognize so clearly.

Each generation of Americans bears this burden and we're grateful to have you with us, sharing this heavy weight upon your shoulders. Teddy Roosevelt, a man who fought alongside your forefathers for Cuban independence said, "We, here in America, hold in our hands the hope of the world, the fate of the coming years; and shame and disgrace will be ours if in our eyes the light of high resolve is dimmed, if we trail in the dust the golden hopes of men."

Today, let us pledge ourselves to meet this sacred responsibility. And let us pledge ourselves to the freedom of the noble, long suffering, Cuban people. Viva Cuba Libre. (Applause) Cuba, si; Castro, no. (Applause)

Thank you. Thank you. Thank you for having me here with you today and vaya con Dios. (Applause)

Document 628

Declaration by the Presidents of Colombia, Mexico, Panama, and Venezuela, Cancún, July 17, 1983 [72]

Declaration of Cancún on Peace in Central America

In view of the increasing seriousness of the conflicts in Central America, we, the Heads of State of Colombia, Belisario Betancur; of Mexico, Miguel de la Madrid; of Panama, Ricardo De la Espriella; and of Venezuela, Luis Herrera Campins, decided to meet in Cancún, Mexico, on this date, July 17, 1983.

We analyzed the critical situation in Central America and shared a deep concern over the rapid deterioration in that situation in view of the escalation in violence, the progressive increase in tensions, the border incidents and the threat of warfare that could become generalized. Added to all of these are the arms race

[72] Source: OAS document CP/INF.2021/83, July 19, 1983.

and foreign interference. The result is a dramatic scenario that affects the political stability of the region and in which institutions that fulfill the democratic goals of freedom, social justice and economic development are unable to advance and become well established.

The conflicts in Central America give the international community the choice of either supporting and strengthening with determination, the avenue of political understanding by contributing constructive solutions, or passively accepting the exacerbation of factors that might lead to more dangerous armed confrontations.

The use of force as an alternative solution aggravates rather than resolves underlying tensions. Peace in Central America can only come to pass if the basic principles of coexistence among nations are observed: nonintervention and self-determination, the sovereign equality of states, cooperation for economic and social development, peaceful settlement of disputes and the free and genuine expression of the will of the people. The creation of conditions conducive to peace in the region depends mainly on the attitude and the genuine willingness to dialogue on the part of the Central American countries, who have the primary responsibility and must make the greatest effort in the search for agreements that ensure coexistence.

To that end, it is essential that the political desire to reach understanding, evident since the work of the Contadora Group began, continue to be made manifest by continued efforts to achieve peace, so that they may yield concrete actions and commitments. [73]

In addition, other states with interests and ties in the region must contribute their political influence to strengthening the channels of understanding and commit themselves, without reservation, to diplomacy as the alternative avenue to peace.

The efforts of the Contadora Group have thus far made it possible to initiate a dialogue with the participation of all governments in Central America, to establish a mechanism for consultation and to draw up, by unanimous agreement, an agenda that covers the most important aspects of the region's problems.

These achievements, though still insufficient, have been stimulated by the support of many countries, various organizations and the most diverse sectors of opinion at the international level. All of them agree that the work of the Contadora Group has helped to mitigate the dangers and the risks of a generalized conflict, and their actions have made it possible to identify the problems and causes of a scenario that today manifests itself in the form of conflict and fear.

This generous support of the international community encourages us to persevere in our endeavor and to make every effort to further a cause whose noble objectives compensate for any possible misunderstanding.

Prompted by our countries' strong sense of solidarity with the sister peoples of Central America, we feel it necessary to speed up the processes that convert the desire for peace into proposals that, when duly implemented, can contribute effectively to the settlement of disputes.

To that end, we have decided on the general guidelines of a program to be proposed to the countries of Central America. In addition to strict compliance with the essential principals governing international relations, that program entails agreements and political commitments that in the regional sphere will lead to effective control of the arms race, removal of foreign advisors, establishment of demilitarized zones, the prohibition of the use of the territory of any state to carry out political or military actions to destabilize other states, eradication of the transfer and traffic of arms, and proscription of other forms of aggression or interference in the internal affairs of any country in the area.

To make this general program effective, agreements will have to be worked out to secure political commitments designed to guarantee regional peace. These agreements could include the following:

—A commitment to bring any prevailing hostile situation to an end;

[73] For a review of the work by the Contadora Group from its first meeting at Isla de Contadora on January 9, 1983, to November 1983, see document 644 and the report by U.N. Secretary-General Pérez de Cuéllar, October 14, 1983 (U.N. document S/16041 (1983)).

—A commitment to put a freeze on the level of existing offensive armaments;

—A commitment to begin negotiation of agreements on arms control and arms reduction, while establishing suitable monitoring mechanisms;

—A commitment to ban the presence within their territory of military installations belonging to other countries;

—A commitment to give prior notice of troop movements in the vicinity of borders, whenever the number of troops involved is in excess of the number established in the agreement;

—A commitment to conduct, as the case may be, either joint border patrols or international border surveillance on the part of observer groups selected by mutual agreement of the interested parties;

—A commitment to set up joint security commissions so as to prevent and, if necessary, resolve border incidents;

—A commitment to establish internal control mechanisms to prevent arms from being funneled from the territory of any country of the region to the territory of another;

—A commitment to encourage a climate of detente and trust within the area, by avoiding statements and other actions that jeopardize the necessary atmosphere of political trust; and

—A commitment to coordinate systems for direct communications among the governments, so as to avert armed conflicts and create an atmosphere of mutual political trust.

Accordingly, we also feel that paralleling the execution of this general program, the task of settling specific differences between countries should begin with the signing of letters of understanding and the establishment of joint committees that will enable the parties to work together and guarantee effective control over their territories, especially in border areas.

These measures, which are designed to eliminate elements disruptive to regional peace, must be matched by a major internal effort to strengthen democratic institutions and guarantee the observance of human rights.

In this regard, it is essential that the methods for consulting the people be improved, that the various currents of opinion be allowed unencumbered participation in the electoral process, and that the full participation of the citizenry in the politics of its country be encouraged.

The strengthening of democratic political institutions is closely linked to the evolution and progress made in the area of economic development and social justice. These are, in fact, two dimensions of a single process whose ultimate purpose is the realization of man's fundamental values.

The economic backwardness at the root of the region's instability and the eventual cause of many of its conflicts must be approached from this perspective.

Strengthening the machinery of integration, increasing intrazonal trade and using the opportunities for industrial complementation to advantage, are some of the actions that are most needed to offset the effects of the world economic crisis. Nevertheless, the region's own effort must be augmented by the support of the international community, especially that of the industrialized countries, in the form of development credits, cooperative programs and access of Central American products to their markets. The governments of the countries in the Contadora Group confirm their decision to continue cooperative programs to aid the subregion and to offer their participation in channeling the international support received for economic-recovery purposes.

Based on these general guidelines, we have entrusted our ministers of foreign affairs with preparation of specific proposals, which are to be presented to the Central American countries for consideration at the upcoming joint meeting of ministers of foreign affairs.

We call upon all the members of the international community, especially those that have expressed support for the efforts being made by the Contadora Group, as well as the Secretary-General of the United Nations and the Chairman of the Permanent Council of the Organization of American States, that they lend their experience and diplomatic expertise to the task of finding peaceful solutions to Central America's problems. For these reasons, we have sent messages to all the leaders of

the American hemisphere to request their solidarity, which is so essential.

We, the Heads of State of Colombia, Mexico, Panama and Venezuela, reaffirm the intentions that unite our governments in a common endeavor, which is to help secure the just and lasting peace to which the peoples of Central America aspire.

Given in Cancún, Mexico, the seventeenth day of the month of July, in the year nineteen hundred eighty-three.

MIGUEL DE LA MADRID H.
President of the United Mexican States

BELISARIO BETANCUR
President of the Republic of Colombia

RICARDO DE LA ESPRIELLA
President of the Republic of Panama

LUIS HERRERA CAMPINS
President of the Republic of Venezuela

Document 629

Letter From the Secretary of State (Shultz) to the Chairman of the Senate Foreign Relations Committee (Percy), July 20, 1983 [74]

"I Have Concluded That the Statutory Criteria for Certification Are Met"

DEAR MR. CHAIRMAN: The International Security and Development Cooperation Act of 1981, as amended, makes the provision of certain security assistance and the assignment of certain military personnel to El Salvador contingent upon a certification to Congress by the President in accordance with Section 728 of the Act. [75] The President's authority under Section 728 has been delegated to the Secretary of State. I transmitted the third such certification to you on January 21, 1983.

I hereby transmit to you the fourth certification required under Section 728. A report dealing with the matters covered in this certification and providing the justification for the certification is also enclosed. [76] It has been our objective in compiling this report to provide to the Congress a comprehensive and objective analysis of the subjects covered under the certification requirement.

I have concluded that the statutory criteria for certification are met. Nevertheless, it is evident that the record falls short of the broad and sustained progress which both the Congress and the Administration believe is necessary for the evolution of a just and democratic society in El Salvador. I am particularly concerned by the failure of the Government of El Salvador to achieve more positive results in establishing discipline over the security forces and in assuring that those, military or civilian, who commit gross violations of human rights will be brought to justice and held accountable under the law. An especially compelling aspect of this concern for me as Secretary of State is the slow progress made thus far by the Salvadoran authorities in bringing the murderers of United States citizens to justice.

The evolution of democracy is a long and difficult process, especially when there are concerted efforts to defeat it. As we have seen, in El Salvador progress in some key areas has been disturbingly slow. However, our disappointment over the pace of change should not obscure the fact that change is occurring. The people of El Salvador deserve our support in their effort to achieve a truly democratic society, which will provide the best and most lasting safeguard of human rights.

Sincerely yours,

GEORGE P. SHULTZ

[ENCLOSURE]

Subject: Certification to Authorize Continued Assistance for El Salvador.

Pursuant to Section 728 (b), (d), and (e) of the International Security and Development Cooperation Act of 1981, as amended, and applicable delegations of authority, I hereby determine and certify:

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[74] Source: *Central American Policy. Hearing Before the Committee on Foreign Relations, United States Senate, Ninety-eighth Congress, First Session* (Washington, 1983), p. 49.

[75] P.L. 97-113, enacted December 29, 1981; for text, see 95 Stat. 1519.

[76] Not printed; for text, see *Central American Policy*, pp. 51-114.

(1) That the Government of El Salvador is making a concerted and significant effort to comply with internationally recognized human rights;

(2) That the Government of El Salvador is achieving substantial control over all elements of its own armed forces, so as to bring to an end the indiscriminate torture and murder of Salvadoran citizens;

(3) That the Government of El Salvador is making continued progress in implementing essential economic and political reforms, including the land reform program;

(4) That the Government of El Salvador is committed to the holding of free elections at an early date and to that end has demonstrated its good faith efforts to begin discussions with all major political factions in El Salvador which have declared their willingness to find and implement an equitable political solution to the conflict;

(5) That, since the third such certification was made, the Government of El Salvador has made good faith efforts both to investigate the murders of the seven United States citizens in El Salvador in December 1980 and January 1981 and to bring to justice all those responsible for those murders, and has taken all reasonable steps to investigate the killing of Michael Kline in El Salvador in October 1982.

Therefore, to the extent otherwise consistent with law, the furnishing of assistance for El Salvador under chapters 2 and 5 of part II of the Foreign Assistance Act of 1961, the issuance of letters of offer and the extension of credits and guarantees for El Salvador under the Arms Export Control Act, and the assignment of members of the Armed Forces to El Salvador to carry out functions under those Acts are hereby authorized. This certification together with the justification therefor shall be reported to the Congress immediately.

This certification shall be published in the *Federal Register*.

GEORGE P. SHULTZ

Document 630

Remarks by President Reagan, July 21, 1983 (Extract) [77]

U.S. Goals in Central America

. . . . . .

Q. Mr. President, are we trying to overthrow the government of Nicaragua with a sending of what some people would call a kind of a gunboat diplomacy approach?

THE PRESIDENT. No, we're conducting exercises such as we've conducted before here in this hemisphere.[78] We've conducted them in other parts of the world and there haven't been too many questions about that or suggesting that we're starting—

Q. What is the purpose?

THE PRESIDENT. —to try to start a war in those other areas. We conduct annual maneuvers more than once a year, as a matter of fact.

Q. Are you saying they have no political purpose?

THE PRESIDENT. We're conducting exercises there. And I think that there's every reason for us to do so with the responsibility we have in this hemisphere.

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[77] Source: White House Press Release, July 21, 1983. Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, July 25, 1983, pp. 1036–1033. The President made his remarks in a question-and-answer session with the press beginning at 10:30 a.m. in the Briefing Room of the White House. Only those portions of the President's remarks dealing with Central America are printed.

[78] Regarding the U.S. military exercise, Pine II, see the statement released by the White House, July 25, *ibid.*, August 1, 1983, pp. 1043–1044; see also the testimony of the new Assistant Secretary of State for Inter-American Affairs Langhorne A. Motley, August 3, 1983 in *U.S. Policy in Central America: Hearing Before the Subcommittees on Human Rights and International Organizations and on Western Hemisphere Affairs of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 21–24, 35–55.

Now, . . . ?

Q. Mr. President, would you say that the pressure the U.S. has put on the Government of Nicaragua, by supporting the rebels against that government, has helped to bring the government to a position where they are expressing some willingness to negotiate? [79] Would you attribute that to the pressure that the United States has been able to bring to bear and would you accept a negotiated solution in El Salvador contingent on a solution in Nicaragua?

THE PRESIDENT. You're getting very complicated there and getting me deep into the field of things that I don't think are at hand yet. I'd have no way of reading their minds as to why. I think it could be assumed that maybe what is happening there with the Contras who are opposing the Sandinista regime had something to do with this decision. Undoubtedly Contadora did also have something to do with it.

I welcome this first step. I don't think it's far enough. But what really is needed is what the Contras are asking for and that is that the Sandinista government is in violation, literally, of a contract that they made with the Organization of American States. That's not just the United States. That's 30 other American states. They made a contract during the revolution that, if they had the help of the OAS in persuading the Somoza regime to step down and let their revolution take over, they made specific promises as to what they would do with regard to freedom of press and freedom of—all the freedoms that we enjoy here in this country. They have violated all of those provisions. And the OAS considers that the violation of a contract. And what the Contras are really seeking, having been members of the Sandinista revolution for the most part in its effort to bring democracy to Nicaragua, they are trying to restore the original purpose of the revolution.

Q. Just a follow-up, if I may, sir. Would you consider a negotiated settlement in El Salvador if there can be a settlement in Nicaragua?

THE PRESIDENT. Without even waiting for Nicaragua, we have proposed and the Salvadoran Government has proposed that if the guerrillas will lay down their arms and come in and participate in the democratic process of election, they will be granted amnesty. They have a peace commission that is organized to negotiate such a thing with them. And, so far, the guerrillas in El Salvador have refused any such meeting on that.

Q. Mr. President, Henry Kissinger was someone that you said should resign back in 1976. He's controversial because of his role in overthrowing the Allende regime in Chile, because of his support for covert action. Why did you choose him to head this commission, considering your past doubts about him? [80] And aren't you, in effect, shortcircuiting the work of the commission since the administration is already planning an increase of some $400 million in its aid request for next year for that region?

THE PRESIDENT. I don't think any such figure has been advanced by us as yet. We're asking for the $110 million that we had proposed for 1983 and which the Congress has so far refused to give us. We have asked for some increase in that in our request for the 1984 budget, but nothing of that figure.

But, with regard to the first part of your question, as I recall in 1976 the entire issue of Henry Kissinger came up in response to questions from the audiences as to whether I would choose him as my Secretary of State, and I said that I had other things in mind and I would make my own choice of a Secretary of State.

I've chosen him for this committee because I believe here is a man with a distinguished record in diplomacy. I believe he is exceptionally well qualified to bring back the information that, I think, we all need and that would help the Congress make the decisions it needs to make about Central America.

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[79] For text of the six-point proposal made by Nicaragua on July 19, 1983, see U.N. document S/15878 (1983). For the U.S. response to this proposal, see *Weekly Compilation of Presidential Documents*, July 25, 1983, p. 1028.

[80] For the Executive order establishing the National Bipartisan Commission on Central America, and for a list of its members, see *ibid.*, pp. 1020–1021. The President announced his intention to appoint the commission during an address before the International Longshoremen's Association, Hollywood, Florida, July 18, 1983; for text of this address, see *ibid.*, pp. 1009–1014.

Q. Well, to follow up—to ask you whether you think that there is no need, then, for this massive increase because there are administration officials who have said that there are planning papers already at the budget office for this big increase in economic and military aid. Do you think it will not be necessary?

THE PRESIDENT. If I ever find those unnamed individuals that are quoted as administration sources, I'm going to take their White House passes away from them.

Q. Right in your office.

THE PRESIDENT. I don't know who they are.

Q. Is it true or not?

THE PRESIDENT. No.

Q. We can give you a list of names.

THE PRESIDENT. I have never heard that figure advanced as anything that we're asking for. But I do think that this commission—What I want is to bring back and with the Congress sit down with the idea of an overall program for all of our neighbors here in the hemisphere.

It is what I talked to leaders about when I made my one trip to South and Central America—talked to them about all of us becoming equal allies here in the Western Hemisphere, all dedicated to the same thing, to progress, economic reform, what social reforms are needed in some areas and so forth. And this is my goal for Central America.

To achieve it, however, you've got to stop the shooting. You've got to let them proceed with these reforms without getting murdered by terrorists who want a continuation of what we've seen too much of in the past, and that is revolutions that only overthrow one set of rulers in order to establish another set of rulers.

Yes, . . .

Q. Mr. President, in view of your frequent criticism of the Sandinista regime which you repeated here this morning, do you think it's possible to get any kind of regional settlement and regional stability if that regime remains in office or do you think that regime would have to go before there would be any settlement?

THE PRESIDENT. Now, we talked—wait a minute. Which country, again, are we—

Q. I'm talking about in quest of regional stability—

THE PRESIDENT. Yes.

Q. —do you think that's possible in Central America if the Sandinista regime survives in Nicaragua?

THE PRESIDENT. If the Sandinista regime remained but remained true to the original purpose of the revolution—this is a government by one faction of the original revolution. It exiled. It jailed. It threw out of office the other leaders of the revolution because they wanted democracy. And the present group wanted Communist totalitarianism. And this is what they presently have there. So, what is being struggled for there is a restoration of the original revolution.

Q. So, you think if this present faction remains in power alone in Nicaragua, there cannot be a satisfactory settlement. Is that your—

THE PRESIDENT. I think it would be extremely difficult, because I think they're being subverted, or they're being directed by outside forces. . . .

Q. Mr. President, with the presence of the American ships off the western coast of Central America, is there any plan by the United States to go on the Gulf side of Central America, especially off the coast of Nicaragua, to impose a naval blockade?

THE PRESIDENT. A blockade is a very serious thing, and I would hope that there will—that eventuality will not arise. There are going to be maneuvers of various kinds.

Q. In the Gulf?

THE PRESIDENT. Yes, just as last year we had some maneuvers in the Caribbean, I prefer to call it, and we will be doing that again because of our interests there and the importance of that to the United States.

. . . . . .

Document 631

Transcript of a Press Conference by President Reagan, July 26, 1983 (Extract) [81]

"A Shield for Democracy and Development"

THE PRESIDENT. I have an opening statement here. Awhile back I got a letter from a 13-year-old, and I apologize for not having answered her as yet. She wrote, "Don't you wish sometimes you could just stamp your feet and shout at the press or Senators to be quiet, sit down and listen to what you're saying?" Yes, Gretchen, I sometimes do feel that way, and, particularly, over the past week. On April 27th I went to Capitol Hill, addressed a joint session of the Congress on a subject of vital importance to all Americans.

I talked about our goals in Central America, and I asked for congressional understanding and support. In Central America, as elsewhere, we support democracy, reform and human freedom. We support economic development. We support dialogue and negotiations among and within the countries of the region. And, yes, we support a security shield for the region's threatened nations in order to protect these other goals.

In my view there has been entirely too much attention to the efforts that we're making to provide that security shield, and not nearly enough to the other elements of our policy. Yet in each of the four elements of the policy, we find they reinforce each other, and that they are being pursued simultaneously in a carefully balanced manner.

I dispatched Ambassador Dick Stone to the region to facilitate the process of dialogue and negotiations. He is there now with a personal message from me to leaders of countries in the region, the text of which I am making public tonight. [82] I am heartened by the efforts of the Contadora countries, led by Colombia, Mexico, Panama and Venezuela to reach a peaceful regional solution. I am encouraged by some recent statements from Nicaragua and Cuba that seem to indicate that they, too, now recognize the merit to regional negotiations. [83] I trust their words will be followed by positive actions to ease tension and stop the fighting in the region.

Here at home I have appointed a bipartisan commission to make recommendations on the long-term measures, including economic assistance that we should undertake to help these struggling nations. I hope soon to be signing the legislation on the Caribbean Basin Initiative passed by an overwhelming bipartisan majority of both Houses. The program will bolster the economic independence of the region. We continue to promote elections as the best way to guarantee peace, human freedom and responsive government.

The greatest portion of our aid goes toward humanitarian and economic assistance. For every one dollar we provide for security assistance to that region, we provide three dollars for economic and human development. But we recognize that democracy and development can hardly flourish when threatened by violence. Dialogue and negotiations can best succeed when the parties are convinced that their goals cannot be achieved through the barrel of a gun. It is especially in our own hemisphere that the United States continues to be the foremost protector of peace. As part of this mission, as a way to provide a shield for democracy and development we, together with our friends, are now planning joint training exercises in the Caribbean and Central America, and let me set the record straight on what these exercises are and what they are not.

Essentially there will be two sets of practice training in the coming months, one a series of ground exercises in Honduras with the combined forces of Honduras and the United States; second, a series

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[81] Source: White House Press Release, July 26, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, August 1, 1983, pp. 1049–1056. The omitted portions dealt with Lebanon and domestic issues. The President met with the press in the East Room of the White House beginning at 8:02 p.m.

[82] *Infra.*

[83] See footnote 79 above. Regarding Cuban willingness to negotiate, see the speech by Cuban President Castro on July 26, 1983, and Castro's letter to Panamanian President de la Espriella of the same date reproduced in Foreign Broadcast Information Service, *Daily Report: Latin America*, July 27, 1983, pp. Q1–Q12 and Q12–Q13, respectively.

of ocean exercises with our own fleet. We have conducted joint exercises with Latin American countries on a regular basis since 1965. The latest exercises with Honduras took place earlier this year. Much larger scale exercises have taken place in Europe, Asia, and Latin America. Moreover, these training exercises are limited in purpose.

Yes, we want to underscore once and for all that the United States, along with our friends, seriously opposes the use of force by one neighbor against another in Central America, but we are not seeking a larger presence in that region, and U.S. forces have not been requested there. The United States stands firmly on the side of peace. As a nation we remain steadfast in policy and purpose. We want to see an end to violence and bloodshed, to the export of revolution. We want to help our neighbors lift themselves up to prosperity. We want to usher in a new era of peace and social justice.

Now, these are great goals and worthy of a great and generous people, and we shall continue to keep faith with ourselves in the days ahead. Now, . . . ?

Q. Mr. President, you complain of too much attention. How can the people ignore two battleship groups, thousands of combat troops going to Honduras, it is said the covert funding of 10,000 rebels, Nicaraguan rebels? My question—and all these things have happened since April 27th—my question, sir, is, in seeking solutions, how far will you go militarily, and I would like to follow up.

THE PRESIDENT. Well, I have told you, we have no military plans for intervention of that kind. We have 55 mainly noncommissioned officers helping to train the Salvadoran Army. We know that Cuba has somewhere in the—well, it has thousands of military personnel in Nicaragua. It does seem a little overbalanced with regard to the attention that's being paid to 55 as against attention that's being paid to the thousands. I suppose what my question is . . . back—to answer with a question, is why are maneuvers that we have performed before and regularly suddenly treated with such suspicion when only—well, within this year, last spring, we had military maneuvers in Honduras, and last year we have naval maneuvers in the Caribbean and no one seemed to be excited about them at all. So, is it just that there's no confidence in the fact that when I say these are maneuvers of the kind we've been holding regularly and for years?

Q. But they're unprecedented to last 6 months. The polls show the American people are not for them and they fear it may lead to war. And my question is, remembering the lessons in Vietnam, does this bother you? And do they have any say?

THE PRESIDENT. First of all, there is no comparison with Vietnam and there's not going to be anything of that kind in this. And maybe the people are disturbed because of the confused pattern that has been presented to them and the constant drumbeat with regard to the fact of suspicion that somehow there is an ulterior purpose in this.

It hardly seems to me that those ships are going there—and I don't know that they're going to be there 6 months. I don't know what the length of time for the training is. I don't know the number of ships involved. But I didn't know the number that were involved in the Caribbean exercises. But if they were there for some kind of a hostile purpose, we happen to know that right now a Soviet freighter, the *Ul'Yanov*, is approaching the Port of Corinto in the vicinity of Nicaragua—or that port is in Nicaragua and it is carrying a load of military equipment, helicopters, transport helicopters for military purposes and so forth. And no one shot at them. . . .

Q. Mr. President, you've mentioned your interest in easing the tensions and you've said that the—you hope the Nicaraguan proposals will have that effect. Now, your spokesman has said that the 4,000 troops that you're planning to send down there will—

THE PRESIDENT. Between 3 and 4.

Q. Between 3,000 and 4,000 troops that you're planning to send down there will have standing orders to defend themselves if they're fired upon. How does that help to ease tensions?

THE PRESIDENT. Wait a minute. That is something that has been true for a long time, as far as I'm concerned, with our troops and our forces anywhere they may be.

We went through a period some years ago when American forces were pretty

much fair game. Look back at some of our aircraft that were shot down on the charge that they had ventured out over international water—or out of international waters into the airspace of a Communist bloc country—and shot down and we protested diplomatically.

It seems to me that young men and women who are going to defend this country of ours and who join the military should know that they have the right to defend themselves if we have placed them in a position where they could come under fire. And this is just a standard order. We don't want war. But I don't think that you prevent war by letting your personnel out there become the victims.

Q. But doesn't this simply increase the chances of war?

THE PRESIDENT. No, I don't think so. All of the ships that are down in that area and that are going there are outside the 12-mile limit. They're out in international waters where they have a right to be. Now, wait a minute, before all of your hands go up here, you change personnel every once in awhile, and new people come into the White House Press corps. And it's only been recently that an effort has been made to see that I have an opportunity to meet them and get acquainted. And so recently I met five newcomers to the press corps, but only three of them are here tonight. And when I met them I told them that in this, the first press conference that I knew they were here, that I was going to call on them if they had a question.

. . . , do you have a question?

Q. How can I turn that down? (Laughter) A little earlier you said yes, that the military exercises—that you did want to underscore that the United States is opposed to the use of force—

THE PRESIDENT. Yes.

Q.—in the region. Is sending down our military might to the region a way to show that we oppose force? Isn't there some sort of contradiction there? Wouldn't it be better to say—if we do these things regularly—isn't this the time now not to do it, not to heighten the tensions, and to say, we oppose the use of force? How can you oppose it by sending down all these ships and men?

THE PRESIDENT. Since the trouble that is going on down there comes from outside the area—is revolution exported from the Soviet Union and from Cuba and from others of their allies—then wouldn't there perhaps be a risk if we changed our pattern and withdrew? Wouldn't we be sending some kind of a signal that might be the wrong kind of signal to send if we want peace in that area?

The simple truth is: no one has asked for American forces to come to their aid; in fact, they've gone quite the contrary and said the reverse—that they don't. And yet they do acknowledge that they need the material assistance that we're giving them, both economic and to provide a shield, or help them provide their own shield, against the attacks that are preventing them from making the economic progress that they want to make now that they have installed a democratic-type of government there.

But, as I say, we've done this regularly. I don't think that it's destabilizing, nor should it be.

Q. You know, you've said in your letter to the four Contadora nations that you want to take this out of the realm of an East-West confrontation. But doesn't somebody have to begin to take it out of that realm? And couldn't the United States be the leader in that way, and not make it that kind of an atmosphere of confrontation?

THE PRESIDENT. Well, we think we are. We have tried to make contact with the guerrillas in El Salvador to see if they would not meet with the peace commission that was created by the El Salvadoran Government to discuss participating in the democratic process in the elections that are coming up before the year is out in the entire area. I have just sent letters, which have been made public now, but, letters to the Contadora Four of our approval of what they're doing; and our recognition of what they are, and we stand ready to support them in what they're trying to accomplish. We want a political and a peaceful solution.

Now, wait a minute. There are two more here that— . . .

Q. Thank you, Mr. President, military leaders in the Pentagon have stated recently that they never want to be involved in another war without the support of the

American people. Do you have any sense or feeling now for whether the American people are ready to support a war to defend our interests in Central America?

THE PRESIDENT. In the first place, I don't think the American people have ever wanted a war. And I think we're probably the most peace-loving people in the world. And maybe this has been what has—part of what has lured us into wars in the past because we haven't been ready for them.

But I—no, I don't think the American people—And I don't think that they—frankly, I don't think that they're as aware as perhaps they should be—we've tried to make them aware—that this does constitute something of a threat in this hemisphere to peace in the entire hemisphere if those who are exporting the revolution here are successful.

But, no, we're not planning a war and we don't think that that's going to happen at all. I've seen four wars in my lifetime. I have sons and I have a grandson and I agree with General Eisenhower that war is man's greatest stupidity. And I don't—I don't want to see such a thing. We want peace.

But we also must recognize that you've got to do more than just want peace. You have got to prevent what is happening down there to people who want peace also but are not allowed to have it because of outside forces that are seizing upon their situation and hoping to further their own ideological aims.

Q. Sir, do you feel the people support your policies in Central America?

THE PRESIDENT. Those that have been informed and understand it do. I just met with some today who made it evident that they did. Now, if we all get together and explain what's happening down there, perhaps that'll resolve the situation in that regard.

Now, . . .

Q. Mr. President, do you—if there is an incident where the American forces down there engaging in the military exercises are fired upon and they are forced to fire back, do you see any contingency where such an incident might lead to deeper American involvement in Central America?

THE PRESIDENT. No, I don't really because I don't foresee—First of all, those maneuvers that are going to be held in Honduras are not going to put Americans in any reasonable proximity to the border. It would have to be something in the nature of a terrorist attack, something of that kind. And I think that any of us—that could happen in a base here in America. And, again, I believe that those people who are—have taken it upon themselves to be our defenders and protectors have a right to defend and protect their own lives.

Q. —follow up, sir. If Nicaragua attacks Honduras, would the United States assist Honduras militarily under the terms of the Rio Mutual Defense Pact Treaty?

THE PRESIDENT. Well, we haven't considered that, but a great many people should know that since 1947—and so obviously our administration didn't have anything to do with it—there is a pact, the Rio Pact, that says that any attack—or an attack on any American state shall be considered as an attack on all American states. Now, that would require, of course, actual outside visible attack on a state and, I suppose, by a country flying under its own flag instead of under surrogate troops. So we would have to deal with that problem when it arose and deal with it with all of our neighbors and friends in the Organization of American States.

Q. Thank you, Mr. President. I'd like to give you a chance to silence this drumbeat of confusion that you were talking about. Why not say categorically that Central America will not be another Vietnam, that under no circumstances will you impose U.S. troops in a combat situation in Central America?

THE PRESIDENT. Well, I said the last time we gathered, [84] that there are some things—I can make every assurance in the world that we have no such plans, we have no desire, nor do the countries down there want us involved in that way. But I used an expression that has been used by Presidents like Franklin Delano Roosevelt and others, and that is that a President should never say "never," because that's a hypothetical question that then asks you

[84] For text of President Reagan's news conference of June 28, 1983, see *Weekly Compilation of Presidential Documents*, July 4, 1983, pp. 939–943.

to try to predict what would take—would, could possibly take place in the future. And I just don't believe you can answer a hypothetical question, unless it's—

Q. May I follow up?

THE PRESIDENT. What?

Q. Could I follow up?

THE PRESIDENT. All right.

Q. What about increasing the number of U.S. advisers in El Salvador? Are you planning to at all?

THE PRESIDENT. No one has presented a proposal to me about increasing the number. There's no question that 55 of them—if there was an increase, probably we could train the Salvadoran army and its new recruits that are coming in actually requiring basic training a little faster than we're doing it. But there's been no proposal for such an increase.

Now, . . .

Q. Mr. President, since you yourself have identified massive social problems as one of the root causes—

THE PRESIDENT. Yes.

Q. —of the troubles in Central America, are you prepared to make a commitment to substantial U.S. aid on the order of the Marshall Plan if the hostilities can be calmed?

THE PRESIDENT. Well, what we're—what we've appointed he Commission for, the Kissinger-chaired commission, is for the purpose of coming up and recommending a long-range plan that would particularly deal with the things that you mention. There's no question that our neighbors to the south have, for too many years, suffered revolutions in which one set of rulers simply were exchanged for another set of rulers. And there's no question but their economic and social policies have left much to be desired as far as the opportunity for the great mass of their people. And what we want is a long-range policy—and this is what I discussed when I visited there in South America, and discussed with them of how we can have the kind of development that will make these countries economically self-sufficient, that will give them a standard of living in which there isn't the fertile soil that is presently there for subversion, for people offering promises of pie in the sky and then arousing to revolution.

And to, in other words, have a program that makes all of the nations here in the Americas equal partners in the development of this Western Hemisphere, and what a great power for good that we could be if we were so organized. And we want—this is my dream, and it's what I hope that the commission will come back with.

Q. Sir, is the United States prepared to make the kind of massive dollar commitment that that would undoubtedly entail?

THE PRESIDENT. It does not follow that it has to undoubtedly entail that. For example, many of those countries are considered too high a risk for private investment. If, together, we could agree upon guarantees that the investment would not be confiscated, taken over by governments and in changes of government, and so forth. There is far more in the private investment pool, far more for—there than any government could possibly do.

And it is to find out what is practical and what can be done. And we're not completely alone in this, because our allies, the other industrial nations in the world, have made it plain to us and, again, at Williamsburg that not only here in our hemisphere, but in their own, we want to come up and find ways that we can help the developing part of the world, and help them to faster development and a better way of life.

. . . . . .

Q. Mr. President, I'd like to ask you about the Chairman of your new commission on Central America, Dr. Henry Kissinger. There have been, as you know, a number of charges over the years that Mr. Kissinger during the Nixon years tried to destabilize the duly elected government of Chile and that he also once told a Chilean official that whatever happens in the South is of no importance. Did you check into Mr. Kissinger's record on Latin American before you appointed him?

THE PRESIDENT. I know what his position was prior to my taking over this Office and how seriously he considered the problems that are going on. Remember, Salvador didn't start with us. It was

already in turmoil before we got here, and I know how he feels about that, and I know also there is no hard and fast—well, let me put it this way, I think there are some stereotypes about Mr. Kissinger that a little actual reading and re-reading the history would indicate that those stereotypes are not necessarily valid.

Q. Mr. President, if I may follow up with another question about the commission, you talk a lot here, and your aides do, about the gender gap, and yet that commission was appointed 12 men, no women. Doesn't that add to the perception that you're insensitive to women?

THE PRESIDENT. It might add to the perception. That's all it is, is a perception, because if anyone wants to really dig into the facts, I will match our record against any other administration that has ever been here with regard to what we have accomplished for women; in the field of economics, our tax policies that reduced and hopefully will in the near future eliminate the marriage penalty tax, the measures that we passed in the IRAs that not only working women but housewives can have these tax-free savings accounts. We have almost doubled the tax credit for child care, but in addition to that, I noticed the other night that someone on the air was comparing our record to that of the previous administration and we came out a little behind with regard to the appointment of women to positions in government, except that it turned out that without their acknowledging it, they were comparing the 4-year record of the previous administration with our first 2 years, and when you compare our first 2 years with their first 2 years, well, we're quite a ways out ahead.

Q. Why no women on this commission?

THE PRESIDENT. On this particular commission—maybe it's because that we're doing so much and appointing so many that we're no longer seeking a token or something. It just came out that these were the 12 we selected. We wanted six opponents. We wanted six on our side. But we've appointed over 1,000 women in executive positions here in government—three members of the Cabinet, never before in history and one member of the Supreme Court.

So, I think our record—it's just a case of our record isn't known. . . .

Q. Mr. President, since Cuba has repeatedly been labeled as the fountainhead of most of the violence in Central America, why has your administration elected to go to the recepients of the arms and the equipment that comes in instead of going to the source?

THE PRESIDENT. We have interdicted some of the supplies that are going from Nicaragua over to El Salvador. If you go to the source, I think you're talking about the Soviet Union. They know and we have communicated to them how we feel about this and we have also to our friends in Cuba, told them how we feel about it.

We are trying to bring about the very thing that all of you seem to think that we're shying away from and that is not broadening a war but trying to limit it and trying to bring about a peaceful and political settlement in Central America. . . .

Q. Mr. President, in reply to . . . question you spoke of confusion. But isn't this administration to blame for much of that confusion? Some of our own ambassadors in Central America were taken by surprise by the maneuvers. Some of the friendly governments especially in the Contadora group were puzzled by your latest actions. My question is, why was there not more prior consultation and what can you do now to reassure any of those friendly governments that we're not today closer to war down there than we were last week?

THE PRESIDENT. As I told you, I sent four—I've sent letters to all four leaders of the Contadora countries. And I don't think that there's that much disturbance among our friends and allies about this.

Sometimes there's a slip up and an ambassador doesn't find out something they should find out soon enough in advance. As a matter of fact, I received a cable from one about that. My most recent appointee, the Ambassador of Austria,[88] and Helene let me know that something had taken place and she hadn't been told about it in advance. And when Helene speaks, I listen.

Q. Mr. President, who do you think is to blame for this confusion you spoke of then?

THE PRESIDENT. I don't think there is as much confusion as they're trying to point

[88] Helene von Damm.

out about this. The training feature with Honduras—this has been well advertised and known for a long, long time that it's going to take place. And as I say, we regularly conduct joint maneuvers with, very often, not only on land but with the navies of our friends and allies in Central and South America. And so, I just don't think that there's—there's great confusion about this.

Q. Mr. President, is it true that you're planning a vast expansion of covert aid to the anti-Sandinista rebels in Nicaragua? And, what would congressional action to cut off such aid mean to your efforts in Central America?

THE PRESIDENT. Well, I think it would be a very grave mistake if the legislature interfered with what we're trying to do, and we're trying to keep them appraised of our actions. I can't answer your question about covert aid. I think this is like discussing intelligence matters. If you discuss covert aid, you're—it's no longer covert. So, I can only tell you that we're continuing on a policy that we believe is aimed at, first of all, bringing about peace in El Salvador, hopefully through negotiations with those who are presently radicals and fighting as guerrillas. And in Nicaragua, hoping that we can persuade the Nicaraguan, the Sandinista government, to return to the principles of the revolution in which they, in writing, guaranteed to the Organization of American States was going to be the policy of their government.

Q. Let me follow up on covert aid, Mr. President. Given the fact that this covert operation is not so covert any more, haven't we reached a point where it really might make more sense to do things on an overt basis, and, in other words, hasn't the thing really become counterproductive?

THE PRESIDENT. No. No, I don't think so. And I think what we're doing is well within the limits of common sense, and the—those who are attempting to make it impossible for us to bring aid down in that area, I think are the ones who are building up—if they have their way—to a giant headache down the road a ways. And we're trying to prevent such a headache from coming about.

. . . . . .

Document 632

Letter From President Reagan to Panamanian President de la Espriella, July 26, 1983 [86]

The United States and the Contadora Process

DEAR MR. PRESIDENT DE LA ESPRIELLA: Thank you for the letter which you and the Presidents of Colombia, Mexico, and Venezuela have sent to me concerning the meeting held in Cancun on July 17, to review the current situation in Central America.

I would like to congratulate you on the efforts which the Contadora Four are making to promote dialogue among the countries of Central America. My government has consistently expressed strong support for the Contadora process. The Cancun Declaration, by articulating the crucial issues which must be treated to reach an effective and enduring resolution of the Central American conflict, is an important contribution to advancing that process.

I continue to believe that a solution to the crisis in Central America must encompass four basic principles:

First, it is essential that democratic institutions be established and strengthened as a means to resolve political differences within the Central American states. Only by ensuring free and open participation in the democratic process can the peoples of Central America achieve reconciliation within their societies.

Second, there must be respect for the principle of nonintervention, including a ban on support for subversive elements that seek to destabilize other countries.

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[86] Source: White House Press Release, July 26, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, August 1, 1983, pp. 1047–1048. The letter was personally delivered by Ambassador Richard Stone, Ambassador at Large and Special Representative of the President to Central America. Similar letters were sent to Belisario Betancur, President of the Republic of Colombia; Miguel de la Madrid, President of the United Mexican States; and Luis Herrera Campins, President of the Republic of Venezuela.

Third, the conflict in Central America must be removed from the context of an East–West confrontation, through such measures as the verifiable withdrawal of all foreign military and security advisers and a certifiable freeze on the acquisition of offensive armaments.

And finally, the countries of Central America must work among themselves and with their neighbors to achieve and sustain a level of economic growth that will guarantee the basic needs of their people.

I am pleased that the Cancun Declaration recognizes the importance of these fundamental principles. These issues are inextricably interrelated, and must be addressed on a comprehensive, regional basis which treats simultaneously the concerns of all the states affected by the Central American conflict. An attempt to resolve these issues sequentially, or on a piecemeal basis, will not achieve the goal we all share of a lasting peace for all of Central America.

Equally important is the need to ensure that all undertakings assumed by the Central American states be fully reciprocal and subject to comprehensive, fully adequate verification. Clearly, no initiative can bring true peace to Central America if one state is permitted to take unjust advantage of its neighbors through failure to abide by peace conditions which bind the others. The Charter of the Organization of American States makes clear that it should be the purpose of the OAS to either prevent unjust acts committed by one state against another, or to provide for common action on the part of the members in the event of difficulties. I believe the OAS, as this Hemisphere's regional forum, is the appropriate mechanism to ensure that those who make commitments, comply with them.

The problems of Central America are complex, and their solution demands untiring efforts. The activities which you and your colleagues in the Contadora group have undertaken are proof of your sincere dedication to the goal of a genuine and lasting peace throughout the region. My own efforts in this regard have been to dispatch my Special Emissary to the region and establish a bi-partisan commission to examine the problems of Central America and to propose solutions. You have my prayers and those of my countrymen as you continue your work.

Sincerely,

RONALD REAGAN

Document 633

Statement by the Assistant Secretary of State for Inter-American Affairs (Motley) Before a Subcommittee of the House Appropriations Committee, August 3, 1983 [87]

U.S. Support for Democracy in El Salvador

On July 11 we notified Congress of our plan to reprogram $3.4 million from within the $140 million in grant economic support funds (ESF) available for El Salvador in fiscal year 1983 to assist the development of the Salvadoran elections process. In his April 27 address to a joint session of Congress, President Reagan stated as the first of our four basic goals in Central America:

> "In response to decades of inequity and indifference, we will support democracy, reform, and human freedom. This means using our assistance . . . to bolster humane democratic systems where they already exist and to help countries on their way to that goal complete the process as quickly as human institutions can be changed. Elections . . . must be open to all, fair, and safe."

As the President's statement indicates, we regard development of a fully functioning constitutional democracy in El Salvador as essential to peaceful national reconciliation in the near term. We also believe that it is the only sure road to establishment of a stable, responsive, and progressive system of government in the future, so that El Salvador will not again have to face the anguish and bloodshed of its present internal conflict.

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[87] Source: *Current Policy* No. 503, Bureau of Public Affairs, Department of State; also printed in *Foreign Assistance and Related Programs Appropriations for 1985: Hearings Before a Subcommittee of the Committee on Appropriations, House of Representatives, Ninety-eighth Congress, Second Session* (Washington, 1984), Part 3, pp. 4–6. Motley prepared his statement for the Subcommittee on Foreign Operations and Related Agencies. All ellipses and brackets are in the source text.

Our emphasis on the establishment of constitutional democracy—with all that implies for economic equity and government under law—is the keystone upon which the other aspects of our policy are built.

We are providing extensive economic assistance to El Salvador, including the pathbreaking Caribbean Basin Initiative approved last week by both houses of Congress. The stability and equity of democratic government guarantees that the benefits of this assistance will reach the people and that private investment can be mobilized to fulfill its role as the engine of development.

We are also strengthening the Salvadoran military shield behind which political and economic development can occur. But our military assistance addresses no more than the symptom, leftist-inspired guerrilla violence; it is the development of constitutional democracy which meets the central challenge of creating an open and responsive political system.

Lastly, our opposition to power-sharing negotiations between the far-left guerrilla groups and the government springs not from a desire to pursue a military solution but from our conviction that El Salvador has had enough of backroom bargains among powerful elites, be they economic, political or military, far right or far left. That is the old way, no matter what guise it wears today. As President Magana said in his July 1 report to the people of El Salvador on the state of the nation: [88]

> ". . . any negotiation to distribute power would run contrary to the mandate of the voters, who were the large majority of the Salvadoran people. This is the only thing, definitely the only thing, which my government cannot do for peace."

The Search for a Democratic Solution

El Salvador needs a democratic solution, a solution of the kind found by Venezuela and Honduras after years of internal turmoil, the solution which has allowed Costa Rica to be at peace with itself and its neighbors for so many years: constitutional democracy founded on honest, open elections.

And El Salvador is seeking that solution. El Salvador's concentration on development of a fair, open system of elections has run steadily through more than 3½ years. Let me briefly review the historical record.

The proclamation of the armed forces issued on October 15, 1979, within hours of the coup by reformist military officers—which overthrew the old regime and began El Salvador's search for a new, better future—states as two basic goals: [89]

> "To create an environment favorable for the carrying out of truly free elections within a reasonable period of time," and
>
> "To permit the organization of political parties of every ideology, in such a way as to strengthen the democratic system."

After weeks of frantic efforts to build a junta of government which would include the full political spectrum, on January 9, 1980, the "Pact Between the Armed Forces and the Christian Democratic Party" announced the formation of a new government. In the event, this government ruled until peacefully displaced by the elections of March 1982. In addition to the economic and social reforms planned by that government, the pact cited as its first political objective:

> "To create the conditions necessary for the implementation of the structural reforms [and] at the same time lead the nation toward a democratic solution in which it is the people who decide their own destiny."

On March 5, 1981, Dr. Jorge Bustamante was named president of the three-member Central Elections Council. In his statement of acceptance, he noted that, in his 40 years as an adult, he had never cast a vote with the confidence that it would be counted. He emphasized that the full junta of government had guaranteed that elections would take place as soon as possible and be free of all pressure or fraud and

[88] For the text of President Magaña's report, see *Human Rights in El Salvador: Hearings Before the Subcommittees on Human Rights and International Organizations and on Western Hemisphere Affairs of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 118–123.

[89] For text, see *Report on Human Rights in El Salvador, Compiled by Americas Watch Committee and the American Civil Liberties Union* (New York, 1982), pp. 260–263.

stated: "without that assurance, we would not be here today." He then outlined his immediate tasks as those of developing an electoral law and a registry of voters.

As we all know, though he was unable to compile an electoral registry, Dr. Bustamante's efforts culminated in the March 1982 elections for a Constituent Assembly. Congressman Livingston of this subcommittee was there as part of the official U.S. observer team. Those of us who were not there saw the event through the eyes of the media, which moved from its initial skepticism to enthusiastic praise for the overwhelming turnout in the face of guerrilla threats and destruction; for the fairness and honesty of the campaign, the balloting, and the vote count; and for the dignity with which the outgoing government surrendered power.

Establishing a Democratic Government

The 16 months since the March 1982 elections have shown just what elections can bring to El Salvador. They were not only successful as a process; they were successful in launching a functioning, democratic government.

The president, Alvaro Magana, a political independent, was selected as a consensus candidate. There are also three vice presidents, each representing one of the three major democratic parties.

Following the installation of the new executive, the evolution toward a fully constitutional democracy continued. In the Pact of Apaneca,[90] the Salvadoran "Government of National Unity" pledged, as its first two goals, peace and democratization. The pact called for a multiparty Political Commission—which included the President, the three Vice Presidents, the Minister of Foreign Affairs, and the Minister of Defense—to oversee the appointment of a new Central Elections Council, to draft the guidelines for the electoral process, and to work on municipal and presidential elections. As a result of their decisions, the Central Elections Council was expanded from three to five members, one from each of the parties elected to the assembly.

The Apaneca Pact also led to the establishment of a Peace Commission, now functioning, with the mandate to bring all Salvadoran sectors, including guerrilla parties such as the Revolutionary Democratic Front (FDR), into the electoral process. The Peace Commission—with the full backing of the Political Commission, the assembly, and President Magana—has several times explicitly invited the political parties associated with the guerrillas to begin talks on how they can participate in the coming elections. On June 6, commission member Francisco Quinonez offered to join in a "dialogue with FDR and FMLN leaders about their participation in the next elections." On June 11, he stated that, "we reiterate our position [of] inviting the FDR, if it is disposed and interested in participating in the democratic process . . . to make this [interest] known." The Peace Commission has actively sought to establish contact with these groups, facilitated by the recent efforts of Ambassador Stone, President Reagan's special envoy to Central America.

The Constituent Assembly is writing a new national constitution and acting as a legislative body until one can be elected under the new constitution. It is composed of 60 seats, apportioned according to the election results, as follows: 24 for the Christian Democrat Party (PDC), 19 for the National Republican Alliance (ARENA), 14 for the Party of National Conciliation (PCN, which has since divided into two parties), 2 for the Democratic Action Party (AD), and 1 for the Salvadoran Popular Party (PPS).

Acting in its legislative capacity, the assembly has extended the land-to-the-tiller phase of the agrarian reform and has passed and then extended an ambitious amnesty program, thus continuing progress on structural reform and national reconciliation.

Draft of a New Constitution. The assembly has also moved ahead on its most important task: writing a new national constitution. On July 22, a draft was formally introduced to the assembly by the working committee. The draft constitution is more liberal than its predecessor. It contains 246 articles divided into nine titles named:

I. The Human Being and the Goals of the State;

II. Rights and Fundamental Guarantees of the Human Being;

III. The State, Its Form of Government and Political System;

[90] For text, see *Presidential Certification on Progress in El Salvador*, pp. 53–57.

IV. Nationality;

V. The Economic Order;

VI. The Organs of Government, Their Powers and Responsibilities;

VII. The Central Elections Council;

VIII. The Responsibility of Public Officials; and

IX. Scope, Applications, Reforms and Derogations.

In the draft, the rights of the individual are strengthened. The presumption of innocence is codified in the constitution for the first time. *Habeas corpus* and other safeguards against arbitrary arrest are strengthened. The powers of the legislature and the supreme court are enhanced vis-à-vis the executive branch. The independence of the prosecutor general is strengthened and his powers increased. There is an explicit prohibition against information of an official party and against paramilitary organizations outside government control. The rights of workers are increased. The Presidential term is set at 5 years; that of legislators at 3 years. In presidential elections, if no candidate receives an absolute majority, a runoff between the front runners will be held within 30 days.

During the week of July 24–31, the assembly threw its sessions open to nonmembers who wished to comment. Formal debate among the assembly members is scheduled to begin on August 8. In addition to debate on the normal text of the constitution, discussions will also focus on transitory articles designed to facilitate early elections. Though it is difficult to predict when the assembly will finally promulgate the new constitution, we understand the target date is September 15, El Salvador's national independence day.

Preparations for New National Elections. Speaking for the Political Commission, President Magana announced on September 29, 1982, that new national elections would be held no later than March 28, 1984. In early March of this year, he announced that they would be held before the end of 1983. Though there has been much speculation about a postponement of elections because of delays in passage of the constitution, there has been no authoritative decision to postpone them beyond the end of the year.

Electoral preparations are now underway. The Christian Democrats held a party convention and, in a close contest, chose Napoleon Duarte as the party's standard bearer. Other parties are also approaching candidate selection. The Central Elections Council has a budget of $4.9 million for the costs associated with preparing for the elections.

The window for elections this year is rapidly narrowing. Massive population displacements occur at harvest time in early December as people go to find work in the fields. Elections must take place before then. The target date for promulgation of the constitution is September 15. Between promulgation of the constitution and early December, the electoral law will have to be passed, the parties and candidates registered, and the actual campaign carried out. Provision must also be made in that time period for a second-round election, in case no candidate wins an outright majority in the first round.

Obviously, debate on an issue as fundamental as the national constitution cannot be closed off artificially, even in the name of elections. El Salvador desperately needs a fundamental law based on a broad consensus and vision of the future. Only in that way will it serve as the legal bedrock for future political development.

One wild card is the effort to integrate the guerrilla-associated parties into the electoral process. It is difficult to predict what effect their acquiescence in participating would have on the present timetable. The Salvadoran Government had made clear its desire to see the broadest representation possible in the elections. But it has also made clear that elections will not be delayed simply because the far left is unresponsive or undecided. Elections cannot be held hostage to the decisions of an antidemocratic group.

In sum, the two fundamental steps in establishing a constitutional democracy are being taken right now in El Salvador: a constitution is being drafted and elections are being prepared.

U.S. Assistance

Our project to assist the elections effort conforms closely to Salvadoran plans. In essence, we plan to provide $3.4 million in critically short hard currency to at least partially cover the costs of a new computer and other equipment, technical assist-

ance, and a program for international observers to witness the election. Our contribution will account for less than half of the overall budget for the elections and the building of a unified, independent, autonomous electoral registry.

We are seeking to minimize U.S. official involvement. In equipment procurement, our involvement extends no farther than assuring ourselves that the money is well spent on equipment adequate for the project goal. Part of our technical assistance will enlist advisers from Costa Rica and perhaps Colombia to help in the planning of the elections themselves and the registry and a major multinational firm to develop the security programs to safeguard the computer against tampering with the data base or the programs. A Salvadoran firm will provide the computer and oversee its installation and initial programing.

Except for the observer component, most of our assistance will benefit not only the coming elections but elections in the future. For instance, a new, small computer will not only be used to compile an electoral registry but, more importantly, will be able to avoid the long delays in processing voting results which occurred in the 1982 elections. We also hope to fund the purchase of an "uninterrupted power source" backup unit, so the failure of the electrical system, either through normal malfunction or guerrilla sabotage, cannot obstruct a smooth vote count.

In short, our program of assistance is calculated to strengthen the institutional and technical electoral process with a minimum of involvement in the actual administration of the elections. We can make an important contribution, one the Salvadorans' dedication to democracy fully merits.

Document 634

Statement by the Secretary of State (Shultz) Before the Senate Foreign Relations Committee, August 4, 1983 [91]

U.S. Policy in Central America

I feel like I have been set up here by these opening comments. [92] To me, the policy that we have is clear and consistent, and it is a multifaceted policy. It is a sophisticated policy, so you have an interplay among the parts of it. That means you have to emphasize one thing at one time and another thing at another, and that is the way a sophisticated policy is supposed to work.

So, in that spirit, Mr. Chairman and distinguished members of this committee, I welcome the opportunity to discuss with you the developments in Central America.

Our policy toward Central America today is just as the President set it forth to the Nation before the joint session of Congress on April 27, the speech to which you referred, Mr. Chairman, and with which you said you agreed. That night he identified our objectives as being to prevent a wider crisis and to bring about a lasting peace. And to achieve those ends, the President defined four activities to which we have committed ourselves:

Support for democracy, reform, and human rights; support for economic development; support for dialog and negotiations among the countries of the region and within each country; and support for the security of the region's threatened nations as a shield for democratization, development, and diplomacy.

Every step we have taken since then is consistent with this comprehensive strategy. Let me sum up each element as it stands today and as it relates to the others and to the whole.

Before I do so, however, let me say that a key aspect of the President's statement

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[91] Source: *Central American Policy*, pp. 3–7. Brackets are in the source text.

[92] The reference is to remarks by the Committee Chairman, Senator Charles H. Percy, and by Senator Claiborne Pell, *ibid.*, pp. 1–3.

of April 27 was his appeal for a bipartisan approach to Central America's increasing importance. With the counsel and support of many Members of the Congress, the President has now named a Bipartisan National Commission headed by Henry Kissinger. Americans have begun to realize that we must pay more attention to our own neighborhood.

I might say that some of my distinguished predecessors, some months ago, some looking down their nose at me a little bit, had said that, "when I was in office I did not spend more than 20 seconds on Central America." Mr. Chairman, that is the problem. We have not paid enough attention to our own neighborhood, and we must do so.

Now, an effort to look at the future, and to do so in a bipartisan spirit, has long been needed. I hope everyone will provide the Commission as much assistance as possible as it begins its work.

Today, however, I want to discuss the current thrust of our four-part policy.

First—and it belongs first—support for democracy, reform, and human rights.

What we seek is a Central America more like Costa Rica than Cuba. We seek genuine democracy—not totalitarian charades but respect for human freedom and the rule of law—not repression but governments committed to the welfare of their own people.

Last year we observed with admiration Costa Rica's typically enthusiastic and meticulous national election. Today we are working with the Costa Rican Government, its prestigious Supreme Electoral Tribunal, and the new regional Center for Electoral Assistance to help other countries improve their electoral systems.

In 1981–82, we supported the transition to democracy in Honduras. Today defense of the constitutional democratic order in Honduras is a key objective.

In El Salvador, the Constituent Assembly elections a year ago last March were a stunning success, demonstrating that democracy can advance even in the face of guerrilla violence.

To help with the next Salvadoran elections, two prominent elections experts traveled to El Salvador in May accompanied by officers from the State Department and AID. We have now developed a project to support the coming elections. Our goal is to help the Salvadoran people build on the success of March 1982, not just the next time, but many times in the future.

We are also helping to rebuild El Salvador's tragically inadequate criminal justice system. I mince no words about that. The Attorney General visited there in April to underline the importance we attach to legal reform in the development of a working democracy.

Legal experts from a variety of U.S. agencies have followed up, and have visited Honduras and Costa Rica as well as El Salvador. In addition, at my invitation Judge Harold G. Tyler is conducting a review of all materials available to us concerning the 1980 murder of four American churchwomen in El Salvador, and I will recommend further actions we might take to advance the prosecution of those responsible for this crime:

Democracy has not been the historical norm in most of Central America, and its construction will not be easy. But the amnesty in El Salvador, the scheduling of elections for a Constituent Assembly in Guatemala, the vibrancy of democracy in Costa Rica and Honduras, all are indications of the progress Central America is making.

What is happening in Central America will be further advanced by the President's Democracy Initiative. We have begun consultations—bipartisan, both at home and abroad—to build support for improved cooperation among political parties and other groups committed to democracy.

Second, economic development.

Between 1960 and 1979, the nations of Central America had high per capita growth rates. But rising expectations clashed with outmoded and unresponsive political institutions; then economic slowdown brought additional conflict and instability. In recent years, falling prices of export commodities, rising import prices, the rule or ruin strategy of the guerrillas in El Salvador, and the growing uncertainty caused by Nicaragua's policies have created an acute economic crisis, increasing the region's vulnerability to Communist strategies.

The United States has responded to these underlying economic problems with both generosity and imagination. Much of the $610 million in economic assistance budgeted for Central America this fiscal year is concentrated on stabilization efforts—to provide hard currency for essential imports to maintain production and employment. With the rest, the Agency for International Development is supporting about 120 individual development projects.

To take just one critical area—the agrarian reform in El Salvador—our assistance has helped that program to benefit more than 500,000 persons, or roughly 1 Salvadoran in every 10. Other AID projects are developing Costa Rica's northern zone, upgrading Honduras' forestry and livestock industries, and helping Guatemala's highland Indians. Regionwide, U.S. economic assistance is three times greater than our military aid.

Finally, we have worked hard with other nations and with you in the Congress to develop a new approach to assisting economic development—the Caribbean Basin Initiative [CBI]. The CBI provides 12 years of free trade guarantees and incentives for investment in Central America and the Caribbean. It will be a powerful, long-term instrument for development and the creation of new jobs.

The Congress passed the bill just a few days ago. The President will sign it shortly.[93] The CBI is a good example of bipartisan cooperation in the national interest. I am confident its contribution will prove enduring.

Third, dialog and negotiations.

Our diplomacy is designed to help develop political solutions to Central America's national and regional problems. In Nicaragua, the new Sandinista regime did not respond to U.S. efforts at "constructive engagement." We then sought to resolve our differences through dialog. And when bilateral approaches in 1981 and 1982 proved fruitless, we participated in the multilateral peace process launched last October in San Jose. From its beginning this year, we have supported the efforts of Colombia, Mexico, Panama, and Venezuela—the Contadora Group. That support continues today.

In El Salvador, we have consistently and systematically tried to facilitate reconciliation with those among the guerrillas and their associates who might prove willing to test their appeal in honest elections. We are now actively supporting the efforts of El Salvador's Peace Commission to open a dialog with the Democratic Revolutionary Front—the political arm of the guerrillas—to assure the safe participation of all parties in the democratic process.

Since his appointment by the President last April, your former colleague—now mine—Dick Stone has worked hard to encourage dialog within El Salvador and in the region as a whole. He has met repeatedly with leaders of all the countries involved in the Contadora process, including the Nicaraguans.

Last weekend, with the help of President Betancur of Colombia, Ambassador Stone had a first contact with a political representative of the Salvadoran guerrillas. We hope additional contacts will take place, and that they will facilitate a direct and detailed dialog between the guerrillas and the Salvadoran Peace Commission.

Let me also note that there are important areas of convergence between the July 17 Cancun declaration of the Contadora presidents and the principles subscribed to by the United States last fall in the San Jose Final Act. The regional dialog, though still very difficult, is gradually clarifying the essential conditions for democracy and peace.

And fourth, military assistance and cooperation.

We seek a security shield, not as any kind of end in itself, but to provide the necessary protection, the necessary protection for the political, economic, and diplomatic goals I have just described.

The military components of the President's policy have been carefully calculated to do just that. Two kinds of activities are involved: activities to help others defend themselves, and activities to underline our own deterrent capability.

Military assistance is based on demonstrated needs in each country as measured against the threat to the country's security. The administration's requests for fiscal

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[93] The Caribbean Basin Economic Recovery Act, P.L. 98-67, was signed into law on August 5, 1983; for text, see 97 Stat. 369.

year 1984 are as follows: for Belize, $500,000 in grant aid and $100,000 in training; for Costa Rica, $2 million grant aid and $100,000 in training; for El Salvador, $55 million in grants, $1.3 million in training, and $30 million sales credits; for Guatemala, no grant aid, but $250,000 in training and $10 million in credit; and for Honduras, $40 million grant aid and $1 million in training.

Our readiness and deterrent capacity will be enhanced by the joint and combined exercises to take place with Honduran forces under the designation of "Big Pine II" in conjunction with fleet units.

These exercises will serve two related objectives:

First, to improve the training and readiness of our own forces and those of Honduras;

And second, to provide a credible assurance to all parties that the United States has the capability to muster a protective shield in the face of any challenge to the inter-American system and our international legal obligations.

These are the elements of the policy. All four are essential to our strategy. And precisely because of the interplay among them, they give us both the strength and the flexibility to achieve results.

Our support for democracy is slowly having an impact. A basis is being laid for renewed and more equitable economic growth once the shooting stops. And a critical interplay is underway between the military and diplomatic aspects of our policy.

Mr. Chairman, nations as well as men and women need incentives to change their behavior. At least until recently, there has been no incentive for the Sandinistas, no incentive for the Salvadoran guerrillas, no incentive for Fidel Castro, and no incentive for the Soviets to believe that anything credible, anything difficult stood in the way of imposition of Communist rule by armed forces in El Salvador and in the rest of Central America.

For what reason, then, should the Salvadoran far left be interested in participation in the political process? Why should the Sandinistas under such circumstances refrain from their revolution without frontiers? Why should Cuba act any differently in Central America than in Africa?

But something has now begun to happen. The evidence is there—in the interest in dialog by the Salvadoran guerrillas, even in the words of Ortega and Castro. Messages have been sent. By the solidarity among the Central American democracies, by the Contadora countries, by private remonstrances from Nicaragua's international supporters, by a popular insurgency inside Nicaragua, by the recent advances of the Salvadoran Armed Forces, and by the United States of America.

The substance of these messages is this. A victory by the far left and its foreign supporters through armed force is not in the cards. The people of Central America are intent on resisting that force. They are increasingly capable of doing so—because of their own efforts and because the United States is helping them. The United States and Honduras, in our current military exercises, are demonstrating what cooperative training and deterrence are all about.

Our adversaries' options—which have so far stressed force—must be narrowed toward negotiation and dialog. And I believe it is the responsibility of the administration and the Congress to make certain that nothing is done to weaken the tools that can bring this about.

Our strategy is well constructed for the problems we face. It is sophisticated, realistic, and flexible. It is showing results. It deserves your support and that of the American people.

Thank you, Mr. Chairman.

Document 635

Address by the Ambassador at Large (Walters) Before a Meeting of the Outreach Group, August 24, 1982 [94]

Myths About Central America

I would like to talk a little bit about Central America, an area which has occu-

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[94] Source: Department of State files; the source text indicates that Walters' remarks were

Continued

pied a considerable portion of my life at various times and I would like to try, insofar as I can, to dispel a number of myths concerning Central America. You know the Hispanic peoples know what you mean when you say the "Liendra Negra"—the "Black Legend". The black legend is that the Spaniards went to South America and burned the Indians, and all they were interested in was getting gold. They were a mystery to the Indians and exterminated them and generally didn't behave like we noble Anglo-Saxons who treated ours so well. Well, the fact is that they had a couple of universities going a hundred years before Harvard was founded. And secondly, as one Spaniard said to me, "Our Indians are still there. Where are yours?" That black legend has been transferred to us. The other day I was in Spain and someone said "Well, Willy Brandt and Carlos Andrés Pérez[95] put out a statement and said that the United States is principally to blame for the situation in Central America. What do you have to say about that?" I said, "They are both distinguished statesmen." I doubt that Carlos Andrés Pérez made such a statement. He was in my office recently and he certainly didn't say anything like that to me. But I said, "You know, regardless of how remarkable they are, it is just as difficult for them to be always right as it is for the United States to be always wrong."

Now, one of the principal myths about Central America is that it is our backyard. It is not our backyard; it is our front lawn. And what happens there is of vital interest to us. It is the land bridge between us and South America and the incalculable reserves of that continent which we want to make sure are lined up on the side of freedom. The second myth is that the United States regards all insurrections against injustice and oppression as Communist inspired. They're not. But when they identify themselves as such, we have to take them seriously. When Humberto Ortega, one of the Nicaraguan Commandantes, says, "Marxism-Leninism is the guide of Sandinismo, and without Marxism-Leninism, there is no Sandinismo," we've got to take him seriously. That is not the United States saying it, that is Ortega himself saying that he is. And he said it in a document put out by the Public Relations Department of the People's National Sandinista Army of Liberation. Fidel Castro, on the 6th of June, 1961, said, "I became a Communist at the age of 17; I am one now, and will be one until the day I die." So much for the *New York Times* theory that we pushed him into their arms. I mean, he said so himself. We didn't take Adolph Hitler's *Mein Kampf* seriously either and it turned out to be quite serious: About 25 million dead. So it is not a question of we regarding all of these people who are rebelling against social injustice or against oppression, against various forms of dictatorship, as all being Communist. Only when they identify themselves to us as such. They will tell you now that, "Oh, Ortega said that," i.e. it is only rhetoric. Maybe, but about half of the original junta has now fled the country and are outside. So, evidently they feel the democratic revolution was betrayed.

This area between the Panama Canal and the Rio Grande River is vital to us because it contains 100 million people. One hundred million people whom we feel are entitled to the same freedoms and democracies that we have. For whom we wish a pluralistic society. The Soviets have an interesting doctrine called the Brezhnev Doctrine. The Brezhnev Doctrine says that when the Socialist regime of any Communist country is threatened, the Red Army reserves the right to intervene to guarantee the achievements of Socialism. Well, I am not sure that we shouldn't have a doctrine that guarantees the achievements of democracy. We apparently let the Monroe Doctrine fall into what the lawyers, I believe, call desuetude. And wouldn't it be a good idea if maybe we had a doctrine that democracy deserves to be helped. Because if you look at the history of the world, this century, one interesting fact strikes you. Democracies almost never engage in aggressive wars. They are almost always a factor of dictatorships, right or left. By their nature they are driven to external adventures. In democracies when you

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edited. The Outreach Group is a weekly gathering of members of the public who have an interest in Central America and who, by the nature of their organizational affiliation, their professional interests, and/or their personal knowledge, have communicated their concern about events in Central America in verbal and written forums. The meeting was held in the Old Executive Office Building, beginning at 2:30 p.m., under the auspices of the Office of Public Liaison of the White House.

[95] The references are to Willy Brandt, Chancellor of the Federal Republic of Germany, 1969–1974, President of the Socialist International, and Carlos Andrés Pérez, President of Venezuela, 1974–1979, Vice-President of the Socialist International.

have to ask the people to sanction a foreign war, unless it is a defensive war, very rarely are they willing to do so. We abhorred Nazism, but it still took Pearl Harbor to get us into the war. It is very difficult to get a democracy to go to war other than in response to an attack upon itself. And this is one of the reasons why, not just philosophically but pragmatically, we believe a pluralistic, democratic society is a good thing, not just for us, but for the people of Central and South America and all over the world in fact.

It is also a question of the maintenance of peace. You are far more likely to have peace where there are democratic regimes than where there are dictatorial regimes. And that is a very powerful factor. Large wars often grow from small wars. World War II grew out of a war between Poland and Germany. World War I grew out of a war between Austria and Serbia. So the important thing is that we do not have wars which can grow. The third thing is that this area is not just important to us. It is even more important that our enemies do not obtain control of it. Because then we do have a soft underbelly. Americans ask, what does El Salvador have to do with me? Well, El Salvador is closer to San Antonio than San Antonio is to Boston. You know, during the Falklands crisis, Mrs. Thatcher at one point in Number Ten Downing Street said, "It was in this room that Neville Chamberlain said, speaking of Czechoslovakia in 1938, 'Why should we go to war for this far distant country about which we know so little and with which we have so little in common?' And, she added, "because he did that, we had a war that killed 25 million people." So this is really the question that Cain asked: "Am I my brother's keeper?" And in a world that is the size of the one in which we now live, the answer is: Yes. We all are our brother's keepers. Because the fate of our brothers today may be ours tomorrow.

When you have a vast country with the resources of the Soviet Union actively carrying out Lenin's dictum, "Probe with bayonets. If you run into steel, try somewhere else," it is important that they not find the absence of steel in this area. It is important that they are not permitted to enslave these 100 million people. They will tell you that all of this is caused by poverty and oppression and lack of freedom. If that were true, we would have a lot more revolts in a lot more areas than we do. Certain areas have been chosen. And—this is a personal opinion—my opinion is that the real target of the Soviet planners in that area is Mexico. If they could destabilize Mexico—and our Mexican friends insist there is no danger of this, and perhaps they are right and perhaps they are wrong, but if they are wrong, the price they will pay is very great—how much interest would the United States be able to pay to Europe, Africa or Asia?

The people in Central America are no less people than we are. If we like for ourselves the advantages of freedom and democracy, why should we deny them to them. Economically we don't care whether the society is socialist, capitalist or mixed. Personally, I hope it is mixed or capitalist because there is one thing I have always found about socialism, it is undoubtedly one of the most noble doctrines man has ever evolved, but it doesn't work. It hasn't worked anywhere. I think we ought to give these people a chance to develop a pluralistic, democratic society in which they have a chance to change their mind, in which, if they want to try some experiment, they have an occasion four years later to review that experiment and see whether it was any good or not.

I think that is one of the key things that we want to try and help them achieve. Democracy is in trouble in Central America. It is under attack in Central America and if we don't defend it, who will? It is not just under attack from local forces; it is under attack from outside forces. All you have to do is turn up the airwaves and hear the storm that beats on those transistor radios throughout Central America every night to know that it is under attack from outside and not just from forces within each country.

People say, "Why don't you negotiate with the guerrillas?" Well, we negotiated with Hitler—we didn't, but the British and French did in 1938, and it didn't turn out very well. You've got to negotiate with strength. You've got to be able to convince your adversaries that the route of force is not a paying one. And also be able to convince your friends that, if the other side chooses the route of force, you have the means of meeting it. And above all, in my opinion, you must not freeze yourself into any position of telling your adversaries what you are going to do or telling them what you are not going to do. Uncertainty is a very powerful weapon. If

we had told Adolph Hitler, as we told the North Vietnamese, that under no circumstances were we going to invade Germany, I just wonder how long World War II would have gone on. We are told that the Sandinistas are really representatives of the working peasant class who want to till their soil, earn a living and not become a pawn in the struggle between the superpowers. You know, I hear a faint echo. That is what I heard about the North Vietnamese. They were just representatives of the little peasants who wanted to till their rice paddies and live their lives without becoming a pawn in the struggle between the superpowers. Well, what happened? In Vietnam, when you had a war going on, you had American bombs falling all over the place; there was fighting in every village and all the young men were being drafted into the South Vietnamese army. There were no refugees. There were no boat people. When liberation came, 1,200,000 Vietnamese chose to go out into the South China sea in open boats, risking the pirates, the typhoons, the storms to escape from "liberation". What, by the way, happened to those peasants who were going to till their soil? Well, they don't have any soil to till. All the soil belongs to the government. What about not becoming a pawn in the struggle between the superpowers? Well, at Cam Ranh Bay there is today the largest electronics intelligence station the Soviet Union maintains outside the Soviet Union with the single exception of Lourdes in Cuba. And, if you look at Cam Ranh Bay today, you can see Soviet aircraft on the field. This for that part which said the North Vietnamese didn't want to be subject to the Soviets, didn't want to be subject to the Chinese; they just wanted to go their own little independent way.

I submit that when Mr. Ortega tells us that Sandinismo is guided by Marxism-Leninism, we have to take him seriously. And, obviously, a large number of his fellow commandantes have taken him seriously since a large number of the members of the original junta have left because they realize that the the revolution has been betrayed. And what does a "revolution without frontiers" of which the Nicaraguans speak mean? It means you keep going until you get to the U.S. border. And you just take them one by one with the old salami tactics. Everyone said the domino theory was discredited. Was it? Vietnam fell. Cambodia fell with the greatest genocide in history, proportionally to population. Laos fell. Those two countries now are occupied by the Vietnamese. We were told these were the little farmers that just wanted to cultivate their little plots of rice and not bother anybody. And that is exactly what we are hearing now about the Sandinistas, who have the largest army in Central America, an army that is not big enough to stop us but is far too big for their neighbors. And, if they have and are talking about this kind of an apparatus, what do they intend to do with it? Protect themselves against the Hondurans or the Costa Ricans? All is not by any means lost in this area. In Costa Rica we have just had a democratic election. In Honduras we have had a democratic election. In the Dominican Republic, where we intervened in 1965 militarily over great protests, there have been four separate changes of government by normal democratic elections whose results no one has really challenged. If we can just let democracy take root a little bit, have two, three changes of government by ordinary democratic process, as it has in Venezeula for instance, this process will then become the normal accepted process as up until now the normal accepted process for change has been coups and violence.

If you have democracy, you have all the mechanisms of change, change of any kind you want as long as you get enough people to agree. But not irreversible change. In my lifetime I have seen all the great right-wing authoritarian dictatorships in the world replaced by democracies. But I don't know, and no one else in this room knows, what replaces a Communist dictatorship because no one in this room has even seen one replaced. The only possible exception was the Hungarian Communist Regime of Bela Kun in Hungary in 1929 [*1919*] which was ejected by the Romanian Army marching into Budapest and ejecting it. Outside of that, I do not know of a single case where a Communist regime has been reversible. It is not just the fact that once the people go under this kind of a regime, there is no longer any hope. The regime is in power, it has weapons and it is quite prepared, in the name of its ideology, to use those weapons to keep itself in power. It impedes the means of subverting the armed forces which, traditionally, in the case of the Russian Revolution and so forth, is what occurred. You got the soldiers to turn their guns against the regime. But when they control all the means, all of the media, it is very difficult to get to the soldiers to subvert them. And so it is not just

a philosophical preference for a political pluralistic society, for an opportunity for the people to pronounce themselves in a fixed period of time on whatever experiments that they undertake, but it is the question of guaranteeing to these people the right to live as human beings and not as slaves. And this is the real issue in Central America and in the Caribbean. It is not a question of a border issue, it is not a question of a particular class of society, it is a question of the fundamental rights of people. Whether we believe these people are entitled to the same rights as we are. And if we do, and they are under attack, and their hope for the future and for freedom is under attack, it is up to us to do whatever is necessary to help them to preserve or to gain for the first time, in some cases, the possibility of being free and of controlling their own destiny.

Now in the case of Nicaragua, once again, we have this myth that the United States pushed them into the arms of the Communists, that that is not where they really were going. Well, perhaps not. I would simply point out that after the revolution in September of 1979, Mr. Rabello [*Robelo*] and Daniel Ortega were received by President Carter at the White House.[98] Fidel Castro, I might add, paraded down Broadway under the confetti after he was victorious. Now, the myth is that the United States supports the military dictators. I submit that both Batista and Somoza fell when the United States made it clear that they were not going to sell them what they needed to stay in power. I would simply add, from the financial point of view, that to this day the largest donor of aid to Nicaragua has been the United States. And in the first 3 years after they came to power we gave the Sandinistas more money than we gave Somoza in 17 years. So it certainly isn't that we turned our backs on them and refused to help them. They chose the path of supporting the Soviet Union, or supporting a Marxist ideal because they believed in it.

You know we always have a tendency to believe that no one is really a Marxist. There are convinced Marxists; I have talked to them. It is an article of religious faith with them. I personally happen to believe that Fidel Castro is a more devout Marxist than Yuri Andropov. Yuri Andropov is in power and he wants to stay there. I think Fidel really believes all this stuff he's been saying. And that is very dangerous, when you begin to believe your own oratory. So I think we have to realize that there is a great deal at stake. Now the Europeans have this myth of Uncle Sam the Goliath beating up on the poor little small countries of Central America and with military aid we are always looking for military solutions. Well we are not. The President said something like 70 percent of our assistance has been economic. But all the economic assistance is not going to do you any good if you don't have some kind of security shield. So many people have adopted an economic deterministic view—that if you are economically strong, that is all you need. Well, I look at history and every time I think about the gross national product of Macedonia under Alexander and the Persian Empire which he overthrew, or I think of the gross national product of the Germanic tribes emerging from the northern forests wearing their animal skins, and the Roman Empire, which was unquestionably the largest, most productive economic unit that had appeared in the world until that time, I am reminded of the story that after Waterloo, Wellington invited Marshal Blucher to London and took him up the newly-inaugurated Nelson column. Blucher looked out over the city and under his breath he muttered, "What a city to loot!"

When people tell me that economic strength is all that is necessary and that there are no military solutions, I always suggest that whoever believes that go tell the Greeks because it was Constantinople for 11 centuries, but as a result of some military activities, it has been Istanbul ever since. And then I remember from my own lifetime that Germany entered World War II practically without a gold reserve, with food rationing in effect and with currency controls. It was 6 years against the rest of the world and it was a pretty close-run thing. When you have people imbued with a kind of semi-religious faith, the kind of fanaticism that Marxism brings with it, you've got to understand that you have a real danger on your hands. A danger not only to the United States, but, most of all, and this people lose sight of, to the people of Central America. It is they who are going to lose their freedom in the short term. We may lose ours, if we lose

[98] Regarding President Carter's September 24, 1979 meeting with Robelo, Ortega, and Sergio Ramirez, see the announcement in *Public Papers of the Presidents of the United States: Jimmy Carter, 1979* (Washington, 1980), p. 1772.

them, in the longer term, but they are going to lose whatever freedom they have, just like Vietnam. Vietnam was not a perfect society by any means but there were 30 newspapers in Saigon under Thieu. Some were suspended; some were fined. You know how many there are now? One. The Party Organ. So, there are all kinds of things at stake that do not immediately escape us.

Finally, that brings me to another item which I think is of fundamental importance. The one thing that all Communist revolutions have in common, is that they engender huge quantities of refugees. From Hungary, there were 400,000. From Cuba, there were 800,000. And that won for Cuba the title of the largest country in the world. The administration is in Havana; the government is in Moscow; the army is in Africa; and the population is in Florida. Now, Cuba is an island. Central America is not an island. We've had boat people from Vietnam. If we lose Central America, we are going to have a minimum of 10 million foot people and they won't be foot people all the way. Because when they get to the Guatemalan/Mexican border there will be buses waiting to take them to Nogales, Tijuana, Brownsville, and Laredo. And someone there to say, "Por aqui, Senores", that way. Now this is a country that was made by refugees but they didn't come in these enormous waves all at once. Refugees have built the United States but they came in over a period of time in some kind of order. We have 10 million unemployed. What are we going to do if we get 10 million refugees? Who is going to provide them jobs? Who is going to provide them with housing, schools, social security? These will be people who have lost everything. They will be willing to work for any salary. What will the impact of that be on the American job market? And you know, these people will want to stay—I always tell this to my Democratic friends in Congress from the southern part of the United States—they will want to stay where it is warm. And after they have been here a while, they will become naturalized. And they will be very anti-Communist and they will all register as Republicans and that is not in your interest.

We face a very crucial problem, not unlike the ones the British and French faced when the Germans remilitarized the Rhineland. We now know that the German units that went into the Rhineland had orders, if the French reacted, to pull out at once. They remilitarized the Rhineland, they took the Saar, they took Austria, they took the Sudetenland, they took the whole of Czechoslovakia, they took Memel, and finally the war burst over Poland. But by that time the Skoda works in Czechoslovakia were working for the Germans, not against them. Churchill once said—and this is an eternal truth—"You cannot slake the appetite of dictators by throwing them small countries to eat. Their appetite grows while they eat." As they digest Cuba, they will move on to the mainland—to Nicaragua. And when they have digested Nicaragua, they will digest Salvador. And then Honduras, and then Guatemala, and then it will be Mexico's turn. Now the Mexicans are convinced that no danger threatens them. I wish I could agree with them. I certainly hope that no danger threatens them but I do remember what Blucher said: What a city to loot. There is for us a choice now. We can either make a stand and defend regimes that are admittedly not perfect. But, is the solution to a flawed regime to replace it with a totally irreversible totalitarian Marxist dictatorship? Is that the answer? Because the Salvadorans or the Hondurans or the Guatemalan Government do something that we don't like, is the answer to turn them over to a totalitarian dictatorship which will not be extinguished in our lifetime? That is not the solution and we all know it. And if that is not the solution, then it is our duty as a people, it is our duty as people who believe in freedom, who believe in the equality of all men, to do what we can to protect these peoples' right to decide their own future. And that, simply put, is the whole issue in Central America. And I am an optimist. Because if you look at the whole course of human history since we came out of the caves; the course of that history has been in the direction of greater freedom and dignity for the individual. Many tyrants have temporarily stopped that flow. None has ever stopped it permanently. And the medieval tyranny that is masquerading as modern Marxism will not escape from the inexorable tide of history. It is our job to help the tide of history. We must not be found wanting or no one knows what the consequences will be.

Document 636

Document of Objectives Issued by the Ministers of Foreign Affairs of the Central American Countries and the Contadora Group, Panama City, September 9, 1983 [97]

Twenty-One Points for Peace in Central America

Considering:

The situation prevailing in Central America, which is characterized by an atmosphere of tension that threatens security and peaceful coexistence in the region, and which requires, for its solution, observance of the principles of international law governing the actions of States, especially:

The self-determination of peoples;

Non-intervention;

The sovereign equality of States;

The peaceful settlement of disputes;

Refraining from the threat or use of force;

Respect for the territorial integrity of States;

Pluralism in its various manifestations;

Full support for democratic institutions;

The promotion of social justice;

International co-operation for development;

Respect for and promotion of human rights;

The prohibition of terrorism and subversion;

The desire to reconstruct the Central American homeland through progressive integration of its economic, legal and social institutions;

The need for economic co-operation among the States of Central America so as to make a fundamental contribution to the development of their peoples and the strengthening of their independence;

The undertaking to establish, promote or revitalize representative, democratic systems in all the countries of the region;

The unjust economic, social and political structures which exacerbate the conflicts in Central America;

The urgent need to put an end to the tensions and lay the foundations for understanding and solidarity among the countries of the area;

The arms race and the growing arms traffic in Central America, which aggravate political relations in the region and divert economic resources that could be used for development;

The presence of foreign advisers and other forms of foreign military interference in the zone;

The risks that the territory of Central American States may be used for the purpose of conducting military operations and pursuing policies of destabilization against others;

The need for concerted political efforts in order to encourage dialogue and understanding in Central America, avert the danger of a general spreading of the conflicts, and set in motion the machinery needed to ensure the peaceful coexistence and security of their peoples;

Declare their intention of achieving the following objectives:

To promote détente and put an end to situations of conflict in the area, refraining from taking any action that might jeopardize political confidence or prevent the achievement of peace, security and stability in the region;

To ensure strict compliance with the aforementioned principles of international law, whose violators will be held accountable;

To respect and ensure the exercise of human, political, civil, economic, social, religious and cultural rights;

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[97] Source: U.N. document S/16041 (1983), annex. The document was subsequently approved by all the Central American heads of state. Slightly different versions of the 21 points appear in OAS document AG/CG/doc.6/83; and *Appendix to the Report of the National Bipartisan Commission on Central America* (Washington, 1984), pp. 27–28.

To adopt measures conducive to the establishment and, where appropriate, improvement of democratic, representative and pluralistic systems that will guarantee effective popular participation in the decision-making process and ensure guarantee effective popular participation in the decision-making process and ensure that the various currents of opinion have free access to fair and regular elections based on the full observance of citizens' rights;

To promote national reconciliation efforts wherever deep divisions have taken place within society, with a view to fostering participation in democratic political processes in accordance with the law;

To create political conditions intended to ensure the international security, integrity and sovereignty of the States of the region;

To stop the arms race in all its forms and begin negotiations for the control and reduction of current stocks of weapons and on the number of armed troops;

To prevent the installation on their territory of foreign military bases or any other type of foreign military interference;

To conclude agreements to reduce the presence of foreign military advisers and other foreign elements involved in military and security activities, with a view to their elimination;

To establish internal control machinery to prevent the traffic in arms from the territory of any country in the region to the territory of another;

To eliminate the traffic in arms, whether within the region or from outside it, intended for persons, organizations or groups seeking to destabilize the Governments of Central American countries;

To prevent the use of their own territory by persons, organizations or groups seeking to destabilize the Governments of Central American countries and to refuse to provide them with or permit them to receive military or logistical support;

To refrain from inciting or supporting acts of terrorism, subversion or sabotage in the countries in the area;

To establish and co-ordinate direct communication systems with a view to preventing or, where appropriate, settling incidents between States of the region;

To continue humanitarian aid aimed at helping Central American refugees who have been displaced from their countries of origin, and to create suitable conditions for the voluntary repatriation of such refugees, in consultation with or with the co-operation of the United Nations High Commissioner for Refugees (UNHCR) and other international agencies deemed appropriate;

To undertake economic and social development programmes with the aim of promoting well being and an equitable distribution of wealth;

To revitalize and restore economic integration machinery in order to attain sustained development on the basis of solidarity and mutual advantage;

To negotiate the provision of external monetary resources which will provide additional means of financing the resumption of intra-regional trade, meet the serious balance-of-payments problems, attract funds for working capital, support programmes to extend and restructure production systems and promote medium- and long-term investment projects;

To negotiate better and broader access to international markets in order to increase the volume of trade between the countries of Central America and the rest of the world, particularly the industrialized countries; by means of a revision of trade practices, the elimination of tariff and other barriers, and the achievement of price stability at a profitable and fair level for the products exported by the countries of the region;

To establish technical co-operation machinery for the planning, programming and implementation of multi-sectoral investment and trade promotion projects.

The Ministers for Foreign Affairs of the Central American countries, with the participation of the countries in the Contadora Group, have begun negotiations with the aim of preparing for the conclusion of the agreements and the establishment of the machinery necessary to formalize and develop the objectives contained in this document, and to bring about the establishment of appropriate verification and monitoring systems. To that end, account will be taken of the initiatives put forward at the meetings convened by the Contadora Group.

Document 637

Address by the Under Secretary of Defense for Policy (Iklé) Before the Baltimore Council on Foreign Relations, Baltimore, September 12, 1983 [98]

"We Seek Victory for the Forces of Democracy"

I am delighted to be here this evening and to have the opportunity to speak to you.

Central America is closer to Baltimore than is California—in terms of geographic distance, that is. But the intellectual distance between here and Central America is enormous. Most of the American people are not well informed about Central America; many are misinformed; and some are outright disdainful about the cultural and social importance of this region.

You all have an obligation to remedy this situation, so that you and your representatives in Congress can engage in constructive support—or constructive criticism—of the administration's policy.

To begin with, you should know that the President's policy for Central America has not yet been given a chance to work: the blocking votes in Congress have denied the President the means to succeed.

Indeed, members of Congress have involved themselves in the management of U.S. policy for Central America more than for any other region of the world.

—While Congress has quickly and easily approved some $4½ billion in Security Assistance for nations in the Mediterranean region, it slashed nearly in half the much smaller allocation for nations in the Caribbean region—so much closer to home.

—While Congress has been generally supportive of the deployment of some 1,200 U.S. Marines to Lebanon, it fought fiercely to limit the number of U.S. trainers in El Salvador to 55.

—While Congress has not objected to large military exercises in the faraway Indian Ocean region, its many members have heavily criticized the recent military exercises in the nearby Caribbean region.

—While Congress has for a long time supported Radio Free Europe, the fine radio program that brings the truth to the people of Eastern Europe, members of Congress have delayed for 2 years President Reagan's request for Radio Marti, a new radio station that would bring the truth to the people in Cuba.

As we consult with members of Congress on these issues, we are often told that, you, their constitutents, are pressing such positions on them. But as we review the public opinion polls, we discover an extraordinary lack of information. For example, in a recent *New York Times* /CBS poll, only 8 percent of the respondents knew, both for El Salvador and Nicaragua, whether the United States was supporting the government or the insurgents.

You must help us overcome not only a lack of information, but also a great deal of misinformation. This misinformation is not accidental; it is the result of a well-organized and well orchestrated effort. A fabric of fiction has been tightly woven to conceal the essential facts. Let me review with you some of these fictions:

Fiction has it that U.S. influence in Central and Latin America has prevented democratic development, that the spread of Leninist regimes is the tide of history, a natural process of social reform that we should not oppose. The fact is that the trend toward democratization has continued: among the 32 independent states of Latin America and the Caribbean, 17 are now democratic. Since 1978, five countries have made a peaceful transition from military regimes to elected democratic governments. It is the much criticized military regimes that are often transformed into a democracy; but there has never yet been a Marxist-Leninist regime that was succeeded by democracy.

Another bit of fiction: that the Sandinista regime in Nicaragua would have developed into a pluralistic democracy, had it not been for the U.S. intervention. The fact is that the Sandinistas, only a few weeks after they came into power, reneged on their promise for early elections, began to attack the democratic trade unions, and invited Cuban military and security personnel in steadily growing numbers. Yet, during the first 18 months of the Sandi-

[98] Source: Department of Defense files.

nista regime, the United States provided more than $120 million in direct aid and endorsed over $220 million in Inter-American Development Bank aid—more than the previous Somoza regime in Nicaragua had received from the United States in 20 years! Clearly, it was not U.S. interference that drove the Sandinistas to link up with Fidel Castro—unless economic aid is regarded as "interference."

Another piece of fiction is the charge that the Reagan administration is "militarizing" the problems of Central America and is bringing the East-West conflict to the region. Well, the East is already here. The Soviets are giving ten times as much military assistance to Cuba and Nicaragua as we are providing to all of Latin America. And Soviet military advisors in Cuba and Nicaragua outnumber U.S. military advisors in the Caribbean region 20 to 1.

Since Congress is so deeply involved in our day-to-day policy toward Central America, our key objectives need to be clear to the American people. Moreover, Congress must share with the administration an understanding of our basic strategy.

On one thing we can all agree: We do not want the United States to fail. We must succeed.

But what is it we would like to see happen, and what do we want to prevent? We have wide agreement, I believe, that the United States favors a continuation and strengthening of the trend toward open, genuine democracy. And we favor social and economic betterment for the people in Central America, a region so close to us.

Equally important is what we want to prevent. We want to prevent the expansion of totalitarian regimes—particularly Leninist ones, since they will import Stalinist police systems, bring in Soviet arms, and even invite Soviet military bases. There are two more reasons why Leninist regimes are particularly dangerous: once entrenched, they tend to become irreversible, and they usually seek to export their totalitarianism to other nations.

Given these objectives, what should be our strategy?

First, we want to help build the road toward democracy and economic development. In the end, the people in each country will have to make their own choices. They can succeed only through their own dedicated effort. But we can help, through advice and influence, by facilitating trade, and by giving aid. The Caribbean Basin Initiative of the Reagan administration (to which Congress has now agreed) is right on target. So are our efforts in El Salvador in behalf of elections and for improvements in the judicial system.

Also, we are using diplomacy to help the Government of El Salvador win over those who are willing to abandon violence and compete in elections, provided they can be assured of safe and fair participation. But we must not underestimate our adversaries. The hard core among the insurgents will never settle for a fair democratic process. We can no more negotiate an acceptable political solution with these people than the social democrats in revolutionary Russia could have talked Lenin into giving up totalitarian Bolshevism.

This leads us to the second requirement. As Secretary Shultz recently explained, the guerillas in El Salvador have used a "rule or ruin" strategy: they seek to destroy economic assets faster than our aid can restore them. You cannot have economic development in a nation, if guerilla forces keep blowing up bridges, power lines, school buildings, buses. . . . You have to defeat these "rule or ruin" forces militarily. This is the purpose for our military assistance.

Every so often the critics of the administration proclaim—with accusatory connotation—that we seek a "military solution" in El Salvador. If a "military solution" means putting primary emphasis on military assistance and military means, then it is more factual to accuse the Reagan administration of seeking an "economic solution," since three dollars out of four in the requested assistance programs are for economic aid.

What we seek to do is to open the doors to democracy and close the doors to violence. But we have to use military means against those who insist—till they have imposed their rule—on using violence.

Let me make this clear to you:

—We do not seek a military defeat for our friends.

—We do not seek a military stalemate.

—We seek victory for the forces of democracy.

And that victory has two components:

One: Defeating militarily those organized forces of violence that refuse to accept the democratic will of the people.

Two: establishing an adequate internal system for justice and personal security.

At this point, let us recall our first agreed principle: We do not want the United States to fail. Hence, we must a group in allocate sufficient means so that we can succeed [*sic*]. As long as Congress keeps crippling the President's military assistance program, we will have a policy always shy of success. We will remain locked into a protracted failure.

This the American people should not tolerate. If we are merely involved to fail, then we should not be involved at all.

The resources needed to succeed are small compared to our investment for security in other regions of the world. Once those in Congress who are now blocking adequate assistance give us the means to succeed, the capability and determination of the United States will become clear. This will make the Soviet Union more cautious, which in turn will help our success. On the other hand, if we signal that we are afraid of victory over the forces of violence, if we signal that we have opted for protracted failure, we will only encourage the Soviets to redouble their effort. We will be inviting ever-increasing difficulties.

The third requirement of U.S. strategy for Central America is least well understood. We should seek to prevent the partition of Central America, a division of this region into two spheres, one linked to the Soviet bloc and one linked to the United States. Such a partition would inexorably lead to a hostile confrontation of large military forces, a confrontation that could last for decades.

We can see how such a confrontation works, as we look at Cuba. During the 24 years of the Castro dictatorship, while the standard of living deteriorated and human rights were widely violated, Cuba built up a large military establishment. It has the second largest army in Latin America (second only to Brazil), it has some 200 MIG fighter aircraft, submarines, 6,000 to 8,000 Soviet advisors, and several Soviet intelligence installations. In addition, Castro has sent some 30 to 40 thousand troops abroad to provide the mercenary forces to protect the Soviet imperial outposts. As a result of the militarization of Cuba, our sealines to NATO are now seriously threatened.

The Sandinista regime in Nicaragua is determined to create a "second Cuba" in Central America. Ever since they seized power, the Sandinistas embarked on a major military buildup. Today, they have a much larger army than Somoza ever had, and they have expressed the intention to build the largest force in Central America. Nicaragua is building new military airfields, and is importing Soviet tanks, helicopters, armored vehicles, and other equipment.

This "second Cuba" in Nicaragua would be more dangerous than Castro's Cuba since it shares hard to defend borders with Honduras and Costa Rica. The Sandinistas have already started terrorist activities in both these countries. In addition, Nicaragua provides essential support for the insurgency in El Salvador.

Even after the insurgency in El Salvador has been brought under control, Nicaragua—if it continued on its present course—would be the bridgehead and arsenal for insurgency for Central America. And once the Sandinistas have acquired the military strength that they have long been planning for, they might well use that strength for direct attacks on their neighbors to help speed up the "revolution without frontiers" that they promised us.

At that time, the only way to help protect the democracies might be for the United States to place forward deployed forces in these countries, as in Korea or West Germany. Clearly, we must prevent such a partition of Central America.

In the Democrats' response to President Reagan's April 27 address on Central America to a Joint Session of Congress, Senator Dodd said: "We will oppose the establishment of Marxist states in Central America." [99] Yet, a majority in the House of Representatives has done exactly the opposite. It voted to oppose U.S. assistance to those who oppose the establish-

[99] For text of Senator Dodd's reply, see *New York Times*, April 28, 1983, p. A13.

ment of a Marxist state in Nicaragua. That is to say, a blocking majority in the House, in effect, voted to establish a sanctuary for the Sandinistas.

Congressional legislation to deny U.S. support to the democratic resistance forces in Nicaragua would turn Nicaragua into a sanctuary from which the nations of Central America could be safely attacked, but in which U.S.-supported forces could not operate. This would enable the promoters of totalitarianism—while being supplied and replenished by Cuba and the Soviet bloc—to attack neighboring countries indefinitely, and always with impunity. Hence, it would deprive the Marxist groups in El Salvador of any incentive to compromise. Indeed, if such legislation were passed, the Sandinistas and Cubans might well find it safe to increase their assistance to the insurgents in El Salvador and to step up the destabilization of Honduras and Costa Rica. This, after all, would be fully consistent with their presently declared objectives; and the guaranteed sanctuary would render such escalation almost risk-free.

The psychological impact from cutting off US assistance to the Nicaraguan resistance forces fighting for democracy in their native land would be severe. Such a cut off would signal throughout the region that the totalitarian Leninist forces represent the winning side. The democratic forces would have cause to despair. They would see that terrorist and insurgent attacks against them are being generously supported by Cuba and the Soviet bloc, and that these attacks could be conducted from safe havens that would be protected by the U.S. Congress, in effect, from all counterinterference. Conversely, the totalitarian Leninist force would know that as soon as they seize control of a country, they will be secure: Cuba and the Soviet bloc will help them maintain an efficient police machinery to repress the people; and should any group arise to fight for freedom, the U.S. Congress would have denied it all support.

Let me recapitulate.

Our basic objectives for Central America are clear: we want to strengthen democracy; we want to prevent in this hemisphere the expansion of totalitarian regimes, especially those linked to the Soviet Union.

To this end, we extend economic support and promote democratic development. But given forces of violence that will not accept the democratic will of the people, we also have to provide military assistance—enough to succeed. In addition, we must prevent consolidation of a Sandinista regime in Nicaragua that would become an arsenal for insurgency, a safe haven for the export of violence. If we cannot prevent that, we have to anticipate the partition of Central America. Such a development would then force us to man a new military frontline of the East-West conflict, right here on our continent.

To prevent such an outcome, the administration and Congress must work together with a strategy that can succeed.

Document 638

Remarks by President Reagan, September 14, 1983 (Extract) [1]

"That Agreement Has Been Abrogated Many Times by the Soviet Union and Cuba"

. . . . . .

Q. Mr. President, I don't have to tell you how much we like you in Miami. You know about that.

There has always been talk about the Kennedy-Khrushchev understanding of 1963. [2] You yourself and Bill Casey and

[1] Source: White House Press Release, September 14, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, September 19, 1983, p. 1246. The President made his remarks during a meeting with Hispanic, labor, and religious press in the Old Executive Office Building beginning at 11:33 a.m.

[2] The understanding developed out of a series of exchanges between the United States and the Soviet Union. See *American Foreign Policy: Current Documents, 1962*, pp. 399–473; *ibid., 1963*, pp. 243–254; and Department of State *Bulletin*, November 19, 1973, pp. 635–655.

Secretary Weinberger have said that the Russian officials have had this understanding throughout the years on the Cuban success of bringing offensive weapons into the islands.

What is your position? What are your feelings on this understanding? Should the United States live up to it?

THE PRESIDENT. I have been looking at that, and with all the things that are going on, we haven't been able to talk as much as we should about it. But I have to tell you, as far as I am concerned, that agreement has been abrogated many times by the Soviet Union and Cuba in the bringing in of what can only be considered offensive weapons, not defensive, there. And we'll get around to that.

We did try to open some talks when there seemed to be an indication coming from Cuba that there was a willingness for that. They got nowhere. So we are going to carry on with what we are doing.

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Document 639

Remarks by President Reagan, September 21, 1983 (Extract) [3]

Cuba and the Soviet Union

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Q. Mr. President, you commented to a Cuban-American colleague of mine in Miami regarding a secret tentative agreement and how you felt that the shipment of Soviet-Cuban arms might mean that the United States is not bound by a promise not to invade Cuba. [4] It stirred a lot of commotion in South Florida's Cuban-American community. They want to know more; if, in fact, this secret agreement is under review; if so, what are the implications, and are we going to get tougher with Castro now that the Soviets are on (inaudible) around the world?

THE PRESIDENT. Well, the statement that I made was based—that agreement is not, you know, in the form of some formal treaty or agreement. This was a series of letters exchanged between President Kennedy and the Castro regime.

To our knowledge, they have not brought back in nuclear weapons, which was part of it. We have felt, in a number of instances, the so-called agreement in this letter form is rather ambiguous on many points. I think what I was trying to say was that we believe that in spirit, certainly, that has been abrogated, and yet, it's very hard to pin it down as you would with a treaty and say: You've broken the treaty. We tried to establish communications with Mr. Castro quite some time ago when he had indicated that perhaps this should be done, and we got no place. And as far as we're concerned, we are going to continue there and the Soviet efforts to establish another Cuba on our mainland in Central America, and we're going to do that as we have been doing it in Central America.

Q. Mr. President, also, now that the Soviet regime is (inaudible) around the world, is it time for us to have on our doorstep, you know, violations of international rules with Cuba, can we get tougher, and regarding Central America, are we getting into a war to avoid a Communist takeover in Central America?

THE PRESIDENT. Now, you've asked a question that I really shouldn't answer. I don't see the necessity for the United States going to war in any place where we are, but as I once said in a press conference here, and some of the regular White House press corps tried to hang me out to dry on it, there are some things about which a President should never say never, and I just think things of this kind. But there is nothing in our plans that envisions a war for the United States. Our job is trying to prevent war wherever it may come in the world. And this is the reason for our military buildup, and it's the reason for our meeting in disarmament talks more than any other administration

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[3] Source: White House Press Release, September 21, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, September 26, 1983, p. 1297. The President made his remarks during a meeting with regional editors and broadcasters in the East Room of the White House beginning at 1 p.m.

[4] See *supra*.

has ever had going at one time in our history.

So I can just say that we're going to continue on this line, and at any time that Castro—whose country is in dire straits, is an economic basket case—any time that he wants to take—make the moves to return to the community of American nations here in the Western Hemisphere, we'd be happy to sit down with him and work that out. But it begins with him coming out from under the wing of the Soviet Union.

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Document 640

Statement by President Reagan, October 5, 1983 [5]

"Friends Helping Friends"

Thank you very much. Thank you all and I say that, I think I can say that on behalf of the Vice President and myself. We're delighted to welcome all of you distinguished members of the diplomatic community, the Senators and Representatives and honored guests.

Today we celebrate the passage of legislation that I've held close to my heart for a long time. I know all of us wish it could have come sooner, but as I promised when some of you were here last December, the time is short and the needs are great. We're all Americans. Together we can be a mighty force for good. We can show the world that we conquer fear with faith, we overcome poverty with growth, and we counter violence with opportunity and freedom. And now we're making good on our promise. I'm proud to stand with you for this celebration on the long-awaited first stage of implementation of the Caribbean Basin Economic Recovery Act. Ours is a collective partnership for peace, prosperity and democracy in the Caribbean and in Central America—a partnership that's born of our shared vision that democracy is a God-given birthright and that faith, freedom and respect for the dignity of every citizen are the mainsprings of human progress.

From the very outset of our administration, we've never wav ed in our long-term goal to foster true stability and democracy. And to do so, we must work together to help improve the underlying conditions for economic development. Peace and security in the Caribbean Basin are in our vital interests. When our neighbors are in trouble, their troubles inevitably become ours. What these countries need most is the opportunity to produce and export their products at fair prices. That's what the Caribbean Basin Initiative is all about. It offers them open markets in the United States and initiatives to encourage investment and growth. Far from a handout, the proposal will help these countries help themselves. Trade, not aid, will mean more jobs for them and more jobs for us.

The CBI package proposed to the Congress in March of 1982 was designed by the governments and private sectors of the region's countries including those of Puerto Rico and the U.S. Virgin Islands. It had three major elements—a supplemental appropriation of $350 million to provide emergency balance-of-payment support, the elimination for 12 years of nearly all of the remaining tariff barriers on Caribbean Basin country exports to the United States and tax incentives to promote new investment in the tourist industry. The $350 million supplemental appropriation received strong bipartisan support and was approved by the Congress in September of 1982. These monies have now been obligated allowing the importation of raw materials and capital goods to help get stalled economies in the region moving again.

Aid levels to the Caribbean Basin have doubled since 1980. The other CBI proposals were an innovative and unprecedented plan to integrate trade preferences, investment incentives, and other measures to encourage the economic and social development of the countries of the Caribbean Basin.

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[5] Source: White House Press Release, October 5, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, October 10, 1983, pp. 1393–1395. The President spoke in the Rose Garden of the White House beginning at 11:32 a.m. at a ceremony for the Caribbean Basin Initiative (P.L. 98-67, enacted August 5, 1983; 97 Stat. 369).

We seek to help countries implement free market strategies to stimulate their exports and strengthen their economies by expanding growth. Our original proposals evolved during many months of congressional consideration and the Caribbean Basin Economic Recovery Act was approved on July 28th. And the bill that I signed in August is true to our original intent. I'm convinced that over time it will contribute significantly to the economic stability and social tranquility of countries in the Caribbean Basin.

The first element of this legislation is a 12-year, one-way, free trade arrangement for all goods produced in the Caribbean Basin except textiles, apparel, canned tuna, leather goods, shoes, and petroleum products. This marks a step our country has never taken before. It's evidence of our commitment to the economic health of our good neighbors. The second element would allow U.S. citizens attending business conventions in the Caribbean Basin and Bermuda to deduct from their income taxes the reasonable expenses incurred. The Secretary of Treasury is here. He wants me to say "reasonable" again. (Laughter)

Now, these benefits will become all the more important as the vigorous expansion of our own economy brings about an increase in our imports and more and more business travel. As a footnote, you should know that we have 125 Peace Corps volunteers trained in small scale agribusiness. They're helping small farmers increase and diversify food production for their countries needs and for winter markets in Europe and North America. Fifty more American volunteers will receive this training within the next few weeks. I was especially gratified that support for the CBI was overwhelming and bipartisan. I offer special recognition to the many members of congress who strongly supported our proposals, guided them through the approval process, in particular, Congressman Dan Rostenkowski and Senator Bob Dole.

You know, almost a year ago, Dan Rostenkowski took members of his Ways and Means Committee to visit five countries and meet with the Prime Ministers of more than ten Caribbean countries. And it was on this trip that Dan coined a saying which was picked up by everyone in the Caribbean. "CBI," he said, "would be friends helping friends." (Applause)

In that spirit, I extend my appreciation to the governments and peoples of the Caribbean Basin countries themselves. They never tired in explaining why the CBI should be passed. They include the very effective spokesmen for both the region's private sectors and labor unions.

I also want to express my appreciation to David Rockefeller and his associates at the Council of the Americas and at Central American Action for their help in providing key business support for passage of this bill. And I pledge to you today that enactment of the landmark Caribbean Basin Economic Act will be followed by a vigorous implementation effort on the part of this administration.

Ambassador Brock will continue as Chairman of our Senior Interagency Task Force responsible for its policy and program development. I'm calling on the other Cabinet members who've contributed to the CBI's development to give Ambassador Brock by January 1st their proposals on how to make the CBI the most effective means of extending economic opportunity in the region.

The formal process of designation which the Congress has given me the responsibility to carry out has been with delegations visiting with all the potential beneficiaries. Those discussions have been conducted with the kind of mutual commitment to friendship and good will which has made us all so excited about the future of the region.

I'm optimistic that we will be extending the benefits of the program to virtually all the beneficiaries by the first of next year. [6] The economic and social development of the Caribbean Basin should be part of a collective effort by the international community. Even before my original announcement of the CBI, we held consultations with the governments of Canada, Mexico and Venezuela, as well as with our European allies and Japan. Colombia subsequently agreed to become a participant.

Enactment of the CBI should encourage other donor governments and appropriate

[6] Regarding extension of benefits to the countries of the Caribbean Basin, see the White House statement, December 1, 1983, *Weekly Compilation of Presidential Documents*, December 5, 1983, p. 1630; and the President's letter of December 29, 1983, *ibid.*, January 2, 1984, pp. 1749–1750.

international organizations to expand their assistance activities in the region. The problems of the Caribbean Basin region are deep-seated and reducing them will be a great challenge. But we can gain strength from our shared vision.

Nearly a century ago Jose Marti, a great citizen of the Caribbean and the Americas, warned that, "Mankind is composed of two sorts of men: those who love and create and those who hate and destroy." And Pope John Paul II has told us that, "Only love can build." With faith, wisdom, courage and love we can overcome injustice, hatred and oppression and build a better life together for all of the Americas.

I'm confident we will. I think back to an incident during my last trip to Central America. As I was beginning to speak in Costa Rica, suddenly I was loudly interrupted by a gentleman who was determined to make his own speech out there from the audience. I didn't know exactly what was going on, and I turned to the President of Costa Rica, asked him and he informed me that this was a Communist, a Marxist member of their congress, their legislature. And that he was determined to denounce us. And that's what he was doing. He was speaking in Spanish, so I didn't really know what he was saying. And, finally, it reached a point that he seemed to be going on and I was standing there and I realized I had a microphone and he didn't. So I just overrode him and pointed out to the audience what I knew about him, what I had been told about him. [7]

And what a tribute it was to their democracy, of which they are very proud, that he was allowed to say these things in that forum, and yet he would never be allowed to do what he was doing in any of the Communist countries. Well, the audience of more than 1,000 rose in a standing ovation. There was a lump in my throat; must have been one in his, because he sat down. (Laughter) I knew in my heart they weren't applauding me. They weren't even applauding the United States. They were applauding the principles, the ideals, and the dreams that we all share and which they, the brave Costa Rican people, have had the courage to live up to.

I have to tell you a little postscript there, that later the President told me that that Communist member of the legislature was the only member of the legislature that could afford to drive a Mercedes. (Laughter) But if the people of the Americas are given a free choice, they will all choose to be like Costa Rica, not Castro's Cuba. (Applause)

Only a counterfeit revolution builds walls to keep people in and employs armies of secret police to keep them quiet. The real revolution lives in the principle that government must rest on the consent of the governed. And this spirit of democracy and freedom of opportunity is the driving force behind the Caribbean Basin Initiative. We are building together a future of new hope and more opportunity. And I pledge the best efforts of our administration to carry this positive program forward, making it worthy of the ideals and dreams that gave it birth.

And now I'd like to ask Bill Brock to make a few remarks, and I thank you very much and God bless you all. Bill? (Applause)

[7] For text of President Reagan's speech at the National Theater in San José on December 4, 1982, see *ibid.*, December 13, 1982, p. 1572–1575.

Document 641

Transcript of a Department of State Press Briefing, October 17, 1983 [8]

"The Only Way This Thing's Going To Work Is Everything Together"

STATE DEPARTMENT OFFICIAL. Good afternoon. The briefing is *on background.* It is attributable to a senior Department official. Although we announced that the topic is Central America, broadly speaking, in fact, we assume that the interest will be primarily Nicaragua, and that is I think what your briefer is principally prepared to talk with you about.

[8] Source: Department of State files. The briefing, which began at 3:45 p.m., was conducted on background by a senior Department of State official.

Unfortunately, we have been foreshortened by events over at the White House where the briefer has an appointment, so we are going to have to cut it off no later than 4:10. If you would try to stick to the more critical questions, and then if you have time, do some of the peripheral stuff, that would be helpful.

SENIOR STATE DEPARTMENT OFFICIAL. What I would like to do is, I've been recently, as you know, to Belize and Nicaragua. Prior to that I was at the United Nations and here where I met with a lot of not only Latin but European Government people. Also, I was in Ottawa for an annual trilateral Canadian/United States/British meeting on Latin America. I'd like to give you some of the impressions with which I came away from there.

First, I think to a certain degree, in the public perception, not only in Europe but in other parts of Latin America and South America, the bloom is coming off the rose of the Sandinista revolution. I think the Pope's visit—although that was quite a while back, the visit of the Pope there—didn't win any hearts and minds among the Catholic countries, I found.

Their U.N. move, when they went to inscribe the issue of [*at*] the United Nations so shortly after they had signed up and [*with*] the 21 points of the Contadoras, I think certainly upset the Contadora countries and, I think, confused a lot of the others—the continuation of the expropriation of private property, and the rest of it. That is an impression I gained from people from Europe and Latin America, but to a certain degree it spills over into Nicaragua.

I was in Nicaragua for 2 days, and let me just tell you some of the quick impressions I had. One is that the level of anti-Americanism generated by their press that is government-generated in either listening to their radio, watching their TV, or reading their newspapers was as high as anywhere I've seen.

I'm told by people who have been there on the scene that that is not a phenomena just recently, that it has been at a continual drumbeat.

The other interesting aspect was, there was a degree of militarism that I didn't really expect there. All their signs, which was not unusual in those kinds of societies, of great, big bill-board sizes [*signs*], had a militaristic aspect to them. It was more about arms and defense, pictures of guns and airplanes, in this aspect.

In chatting also with the people at the United Nations and especially the Central American countries, and in talking with the Nicaraguans while I was there, Ortega, and D'Escoto, what appears to be coming down is that the attitudes externally from Central America are changing toward them.

The attitude of their central American neighbors, the fear level against what their—I think their intentions there being Nicaraguans—has risen and to a certain degree is coming through to the Sandinistas, because they are getting a mentality that they are not part of the odd-man-out.

I, basically, delivered a message to them. I had 2 hours with Ortega and almost 2 hours with D'Escoto in addition to other meetings—their economic team, out in Montegalpa [*Matagalpa*] with coffee-growers; I met with opposition leaders; I met with the editors of *La Prensa*; I met with trade unionists; I met with their economic team.

The message I tried to leave basically was that which the President had outlined in the letter to the Contadoras, which was, "In order to achieve peace in the area, we think that certain things are important. One is that we try to keep this out of an East-West context; secondly, that we subscribe to the principle of nonintervention, which we think is something that is important within their area; and third, that an internal democratization is linked to the feeling of attitudes on the part of their neighbors; and fourth, of course, the Economic Development Aspect." That, basically, was the message I attempted to leave with them.

I had long sessions with them. They are very civil. They are obviously, I think, feeling the effects of a couple of things: one is, obviously, the pressures of their internal war; and secondly, also, as I have said, I think they have begun to come to the same assessment we have with regard to feelings the Europeans have and the rest of us—just kind of changing a bit.

But at that point I'll stop, and take your questions. See, it only took about 6 minutes or so.

Q. Could you discuss some reports which have been appearing that this ad-

ministration had decided on a two-track policy toward Nicaragua: one the diplomatic, represented by your trip; the other military, in the sense of giving aid or advice to the anti-Sandinista forces in Nicaragua?

A. I think the President laid out his policy fairly well on the 27th [of April]. This one policy has got four tracks to it, or four elements to it. That's, basically, the one that we're following.

Q. What about the charges that there was U.S. involvement in some of the recent acts of sabotage, for example?

A. Those are charges that you hear on a variety of fronts. Our answer is basically the same.

Q. When you say that the United States subscribes to nonintervention, obviously you refer to Nicaragua's involvement in subversion or alleged subversion in other neighboring countries. But what about the intervention of American-supported forces in Nicaragua?

A. I think when we talk about nonintervention—I'll tell you something, I think this is a very important, critical element in this whole policy, and it's not so much the question of us and the Nicaraguans as it is as this deal evolves, you have to raise the comfort level of all of them; not just the Nicaraguans but of the Salvadorans, the Hondurans, the Guatemalans, the Costa Ricans, that nobody is going to fiddle in anybody else's yard. You just can't take it in one single direction, whether there is or isn't in Nicaragua, whether there is or isn't in El Salvador.

The fact of the matter is, they all feel that from one source or another somebody is messing in their backyard. In order to go about coming up with a peaceful solution, you have to raise that comfort level on the parts of all five of them.

Q. Are you suggesting that if the Nicaraguans desisted from what the United States alleges they're doing that the Contras also would be encouraged to desist in interfering in Nicaragua?

A. Obviously the Contras—the anti-Sandinistas as well as the guerrillas in El Salvador are forces that have to be reckoned with in any kind of peaceful solution. How they fit into the picture in a peaceful solution, one is just as important as the other.

Q. The 21-point Contadora proposal was signed, if I recall correctly, 5 or 6 weeks ago.

A. Not quite that long ago, but that's all right; it's about 2 weeks ago.

Q. Two weeks ago? At the Prime Ministers' level, it was 5 or 6 weeks ago. There was some encouragement at that time in this building, the fact that they signed it and they agreed not to intervene, and to move toward democracy and so forth.

What is the assessment now? Do they still subscribe to that or not?

A. No, they do. I think going back to that original assessment, you're correct. The fact that they did get the signature of five heads of state—you may recall they required later to get the heads of state in writing to agree to the 20 points. The fact that they did get five heads of state to agree to this statement of objectives, I think, was a significant event for the Contadora to achieve. What they've set up for themselves now is a process that is as much if not more of a challenge. And that is, one, flesh out in language, in either agreements or treaties, and, secondly, which I think is equally as important—and maybe more so important—is to build among themselves the confidence that they'll make these things stick. That's the elements that's going to make it go.

Q. Do I understand you—you just said that the guerrillas in El Salvador are also a force that have to be taken into account in any solution?

A. In any kind of democratization aspect, in any kind of peaceful solution that you have, you have to take into account the anti-Sandinistas; you have to take into account the guerrillas. Yes, that is correct.

Q. I say, in El Salvador as opposed to Nicaragua, could you elaborate?

A. No. What I'm saying is that you have to take both of them into consideration. This is why I keep getting back to my point. You can't zero in on just El Salvador, zero in on just Nicaragua.

There are two aspects of it. If you're going to build confidence in each other to get something done, then, you have to have the confidence that they won't be fiddling within your arena. And, obviously, you take into account all of the forces.

Q. What you described to us of their attitude seems to me that they are responding exactly as you cause them to respond. Where do we go from here?

A. I wouldn't characterize the answer directly to your question. I think what's happening is this: That as a result of a variety of things, which may be a subtle change in world opinion; it may be more challenges they're facing from within. It's causing them concern. They think about it. If they think about it, we're hopeful that they'll think about how do we go about getting a peaceful solution, and that's why in the conversations with them they would keep dwelling on their problem within Nicaragua. I would keep pointing out to them that the same problems they were talking about, their neighbors felt some of the same problems. So that there had to be a kind of across-the-board type of aspect.

Q. Other than sending the message, and seeing that they are hurting from actions that, in great part, are the decisions made in Washington, is there anything that you accomplished on this visit?

A. Yes. I think what we accomplished was—I personally got a good feel for, as much as you can get in 2 days but it's not my first trip to Nicaragua.

The second thing is, I think I was able to reiterate to them exactly what our thoughts on the matter were. It's not so much what we expect as it is the philosophy that you've got to deal with the whole regional thing which they made a significant change on July 19, when in their speech they said they recognize the regional aspect, and they followed it up by signing up on Contadora whatever the period of time it was.

We're trying to point out to them the necessity of not just dwelling on ills that they feel they have suffered as well [as] the ills of others.

Q. Two questions. The first one is that Ortega, after your visit, insisted again that he was willing to buy more weapons to defend themselves. And the second one, do you think that it's possible for the United States and for the Central American countries to (inaudible) to a peaceful solution with this Sandinista government?

A. Yes, I think it's possible. I think that it is possible that the points embodied in the 21 points of Contadora and embodied in the President's letter to the Contadora process is a possible thing. I'm under no illusions that it's an easy thing.

As I told you earlier, signing a Statement of Objectives on the Contadora 21 points was a significant event, if you take it on face value. But an even tougher event now is making it work. I think it's very tough, but, yes, I think it's a possibility. I'm under no illusions that it's going to be easy.

Q. What about the first question, about Ortega's new declaration about buying arms?

A. I think one can understand the situation under which he made that statement. He just had a significant part of his oil storage and receiving facility blown up. It's an understandable statement for him to make. I'm sure we didn't understand him to say he's going to buy less arms.

Q. On that precise point, while all the countries in the region have some turmoil, none of the countries has apparently been crippled economically to the extent that they have, like, 30 days of fuel and the possibility that no oil companies will flow, or will ship oil to their ports because of Contra activity.

Did they make the argument with respect to that point, that the United States could only expect them to ask for closer ties with the Soviet Union which could provide them with oil?

A. No, they make that point.

Q. They didn't raise that?

A. They didn't make that point. The other thing is this, too, the economic aspect of how the ravishes of war, which is in nobody's interest, 30-day supply of oil —how does that equate to 70 percent of your transportation system as exists in El Salvador? Either way, they're bad news for whoever is involved.

Q. At what point does the United States start abiding by the objectives of the Contadora Agreement, the 21 points about nonintervention in arms and advisers, and things?

A. I think if the five countries can arrive at agreement that they are satisfied with among themselves—not only signed a piece of paper, but they're comfortable with it—that we've gone a long, long way

to satisfying ours which were embodied within those 21.

See, the question is this: You have a process proceeding. That process is among the Latin countries. That process must be allowed to proceed. As it goes and as it signs on to those 21 points, I think it alleviates a lot of people's fears—obviously, the ones within Central America—and I think if you look within those 21, I think you'll find that they embody most of what we're involved in.

Q. To be clear, then, once they start agreeing and abiding by them, then we will? Is that right?

A. No. You're not going to put the chicken before the egg or the cart before the horse. What I'm saying is that to get to the final product, everybody has to be involved.

Q. Did the topic come up about our allegations of their supporting the guerrillas in El Salvador? Did they say they were continuing to support them or would stop?

A. That topic was raised, and they didn't address it. They went on to other issues.

Q. Can I just ask for clarification of your last answer, the previous? How does 30 percent of the oil supply—how does that relate to—

A. Thirty days.

Q. Yes. How does that relate to 70 percent of the transportation?

A. What I'm saying is that—and maybe I didn't put it well—but what I'm saying is any war situation, a civil war, that results in busting down an infrastructure—in one case he said 30 days worth of oil. In the case of El Salvador, 70 percent of their transportation has been wiped out.

So I mean, any civil war aspect has those aspects that nobody is interested in seeing.

Q. Could you give us an example of a viable step that should be done, let's say by the Sandinistas, in order to lead to feasible agreement?

A. I think a viable step by not only the Sandinistas but also the Corps [*Core*] Four [9] as they're called is quick progression on the 21 points.

Q. Can I ask you a question about Grenada since . . . did not categorically rule our veering away a little bit from Central America? What is your impression of—

A. Wait a minute. It was Nicaragua, then Central America. But go ahead.

Q. He said significantly—

A. Go ahead. I give up.

Q. Do you interpret this—what has happened in Grenada over the past three or four days as a significant shift to the left?

A. I think that what may have happened or not happened in Grenada yet, to a certain degree that is unclear and something that we're not ready to comment on, even *on background.*

Q. Do I understand you correctly that you had some feeling that Nicaragua may now be ready to talk about a solution? You went down and presented the framework of a solution, and, if that's true, then did you set up a group to talk about it further? Did you do something to carry it on further?

A. I wouldn't necessarily characterize that they are ready to—I didn't come away with a feeling that they are ready to sign on the 21 points. But I also came away with a feeling that they don't like the status quo as is, and they would like to do something to change it. So, you know, it may grieve me to say so, but the result of my trip wasn't any breakthrough, nor was it a slam of the door in the face.

Q. I understand that. You're saying when they did sign on the 21 points 2 weeks ago, they weren't signing in good faith?

A. No, no. I didn't say that. I'm saying you take it on face value. I think that was a major step.

Q. But you don't think they're ready to negotiate on the basis of that 21 points?

A. No. I think that all the countries had difficulty signing different portions of that 21. I think the fact that you got all five to sign on was a significant step. I think a

[9] Costa Rica, Honduras, El Salvador, and Guatemala.

tougher step now is having agreed to a statement of objectives, which is nothing but broad principles, start to spell out, you know, how you do verification, what do you do about this one, what about democratization, and so on and so forth. I think that's going to be the real challenge.

Q. Are you optimistic about that?

A. Yes. We are proceeding on the assumption that they're going to proceed, and hopefully they'll arrive at something, but I'm not—I think you have to go into this thing with a realistic outlook, and that is that it's a complicated issue and negotiations of this type take a long time. There are internal matters, rivalries between the countries involved there that transcend anything that's going on now. It's not an easy deal.

Q. In a year and a half yours was the first trip—

A. In the year and a half, what?

Q. Yours was the first trip of an American official, and even then it was to deliver a message and not to negotiate. Are you ready on your part to negotiate?

A. Okay. I think I tried to explain it earlier, maybe I didn't make myself clear. Peace in Central America is going to come about—negotiations in Central America can come about. It's not just a question of the United States and Nicaragua. It's the question of the five countries among themselves, and, obviously, our interests too.

So you have to have all of those in there. So, no, we cannot go negotiate on behalf of the other countries. That's why you keep pushing this process.

Q. Salvadoran guerrillas have asked President Monge to arrange a meeting with Ambassador Stone.

A. Pardon?

Q. The Salvadoran guerrillas asked President Monge this weekend to arrange a meeting with Ambassador Stone. Is he going to meet with the guerrillas?

A. Ambassador Stone is still in Europe. He won't be back for a few days. We have not received any direct query on that, other than what we read in the press. So you got two hurdles there even before I can start to answer your question.

Q. Do you have any comments on the reports of contacts between Eden Pastora's group and the Cubans through Madrid? They've appeared in the Spanish-language press in recent days that—

A. Yes. I saw something to that. I didn't realize it was through Madrid, but still, whatever the thing may have been.

No. I got to imagine that—they didn't bring it up to me, but I would think that maybe the Sandinistas might wonder about it. But I have no comment on it.

Q. A few weeks ago—I don't remember when—I'm paraphrasing this—I believe the President said there would be no solution as long as the Sandinistas, this present government in Nicaragua, was in power. [10]

You seem to be saying that you believe that we can negotiate with them, that there could be a peaceful solution, and we could deal with the Sandinistas.

A. The President's policy leads towards that goal, and that makes the assumption of the existing government. I'm under no illusions as to how easy it is. Aside from all the facts I just gave you a minute ago, there may or may not be a mindset, an intransigence, on the part of the Sandinistas. What we're trying to do is plumb that thing and keep pushing and keep seeing what we can come up with.

Q. What would happen to the Contras under the 21 points as you interpret them? Are you asking the Nicaraguans to share power with them and in effect—

A. No, no. I don't think so, any more than we're saying that the guerrillas in El Salvador ought to share power with the Salvadoran Government.

If you take the statements of the Contras at face value, you will find, and I think that most of the things that they required to return to the revolution, etc., would be covered under the 21 points.

Q. But that means what? Free elections?

A. Yeah—well—

Q. Is there any prospect, now that you've gone down there, of a continuing dialog, at least your level, between Nicaragua and the United States? And what is

[10] See document 630.

the status of the original 8 points of April 1982, and the 13 points that came back from Nicaragua with respect to U.S.-Nicaraguan negotiations? [11] Are they finished?

A. For openers, they didn't bring up either the 8 or the 13 points, so—and you've caught me unawares because that was before watch, and I haven't read back that far. But they're probably embodied in these other points. As to the other question, yes, I'm prepared to meet with them. You know, that the first time I went down, or was going down there, they cancelled the trip. We already had the meeting set with Ortega, we already had set the meeting with D'Escoto the night before, and I was in Guatemala. They called and said, "Well, we don't think you can meet with these guys. Why don't you meet with somebody else?" And on that basis I didn't go.

After having come back here, they—U.S. Congressmen and others chastised them a bit for not doing that, including those that normally haven't voted with the administration on a lot of things.

So about 2 weeks after I was back—a week and a half back—I sent the message through our Ambassador saying, "I think it's in your interests and our interests, I would like to come back if you'd like to invite me." And they did, and they invited me for the specific dates which I was there. So I think it manifests on our part wanting to talk.

Q. Do you see a continuation? In other words, is there a possibility of a bilateral track as well as a—

A. You've missed the whole point I'm trying to tell you. The only way this thing's going to work is everything together.

Q. Thank you.

[11] Regarding earlier U.S. discussions with Nicaragua, see Enders' statement before the Senate Foreign Relations Committee, April 12, 1983, document 619.

Document 642

Letter From the Secretary of State (Shultz) to the Speaker of the House of Representatives (O'Neill), October 18, 1983 [12]

"The Administration's Policies To Help Bring Peace in Central America Are Now Beginning To Bear Fruit"

Last month the nine governments participating in the Contadora discussions agreed on a document of twenty-one objectives that could serve as the basis for a negotiated settlement in the region. The objectives include respect for democratic pluralism and reciprocal and verifiable commitments to end assistance to armed opposition forces.

I believe Nicaragua's acceptance of the document of objectives is an indication that the Sandinista regime may ultimately reconsider its pervasive intervention in the region. The growth of the Nicaraguan opposition, a manifestation of the unpopularity of four years of Sandinista repression at home and intervention abroad, is contributing importantly to this possibility.

I therefore believe it is essential that the House of Representatives not enact provisions in the Intelligence Authorization bill that would give the Sandinistas a unilateral assurance that the United States will withhold support from the Nicaraguan resistance movement. [13] In my judgment, such an action would virtually destroy the prospect that Nicaragua may agree to reciprocal and verifiable agreements to end assistance to all guerrilla forces operating in this region.

[12] Source: Department of State *Bulletin*, January 1984, p. 85. An identical letter was sent to House Minority Leader Robert H. Michel.

[13] On October 20, 1983, the House passed H.R. 2968 which, inter alia, limited covert support for military or paramilitary operations in Nicaragua and expressed findings of Congress with respect to Nicaragua. The Senate approved the measure on November 3, and it was signed by President Reagan, December 9, 1983, as P.L. 98-215; for text of relevant sections, see document 651.

The Administration's policies to help bring peace in Central America are now beginning to bear fruit. I urge the House not to impose restrictions on this policy and thereby undermine the cause of peace and democracy that we all support.

Sincerely yours,

GEORGE P. SHULTZ

Document 643

Section 101(b)(2) of Public Law 98–151, Approved November 14, 1983 (Extracts) [14]

Congressional Requirements on Aid to El Salvador and Haiti

. . . . . .

Not more than 70 percent of the amount made available for the fiscal year 1984 for military assistance for El Salvador under chapters 2 and 5 of part II of the Foreign Assistance Act of 1961 and under the Arms Export Control Act may be expended until—

(1) Salvadoran authorities have substantially concluded all investigative actions in the case of the National Guardsmen charged with murder in the deaths of the four United States churchwomen in December 1980 that were set forth in communications from the Department of State (including the letters dated July 8 and September 23, 1983); and

(2) Salvadoran authorities have brought the accused to trial and have obtained a verdict.

Not more than 90 percent of the amount made available for the fiscal year 1984 for military assistance for El Salvador under chapters 2 and 5 of part II of the Foreign Assistance Act of 1961 and under the Arms Export Control Act may be expended until the President has determined and certified to the Congress that—

(1) the Government of El Salvador has not taken any action which would alter, suspend, or terminate the land reform program for phase I or phase III promulgated under Decree 154 (dated March 5, 1980) or Decree 207 (dated April 28, 1980) in a manner detrimental to the rights of the beneficiaries or the potential beneficiaries under those decrees; and

(2) the Government of El Salvador continues to make documented progress on implementing the land reform program.

. . . . . .

It is the sense of the Congress that for the fiscal year 1984 up to $24,000,000 of the funds available to carry out chapter 1 of part I of the Foreign Assistance Act of 1961, and up to $10,000,000 of the funds available to carry out chapter 4 of part II of such Act, should be made available for development assistance for Haiti, subject to the limitation contained in the third paragraph of this heading.

To the maximum extent practicable, assistance for Haiti under chapter 1 of part I and under chapter 4 of part II of the Foreign Assistance Act of 1961 should be provided through private and voluntary organizations.

Funds available for fiscal year 1984 to carry out chapter 1 of part I or chapter 2, 4, or 5 of part II of the Foreign Assistance Act of 1961 may be obligated for Haiti, and credits may be extended and guarantees may be issued under the Arms Export Control Act for Haiti, only if the President determines that the Government of Haiti—

(1) is continuing to cooperate with the United States in halting illegal emigration to the United States from Haiti;

(2) is cooperating fully in implementing United States development, food, and other economic assistance programs in Haiti (including programs for prior fiscal years); and

(3) is making a concerted and significant effort to improve the human rights situation in Haiti by implementing the political

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[14] Source: 97 Stat. 970. According to the source text, this section of the joint resolution on further continuing appropriations for fiscal year 1984 may be cited as the "International Security and Development Assistance Authorizations Act of 1983."

reforms which are essential to the development of democracy in Haiti, including the establishment of political parties, free elections, and freedom of the press.

Six months after the date of enactment of this section, the President shall report to the Congress on the extent to which the actions of the Government of Haiti are consistent with each numbered provision contained in the third paragraph of this heading.

Notwithstanding the limitations of section 660 of the Foreign Assistance Act of 1961, funds made available under such Act for the fiscal year 1984 may be used for programs with Haiti, which shall be consistent with prevailing United States refugee policies, to assist in halting significant illegal emigration from Haiti to the United States.

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Document 644

Note From the Foreign Ministers of the Contadora Group to the General Assembly of the Organization of American States, Undated [15]

Peace Efforts of the Contadora Group

On the occasion of the thirteenth regular session of the General Assembly of the Organization of American States, we the Foreign Ministers of Colombia, Mexico, Panama and Venezuela deem it appropriate to inform this meeting of American Foreign Ministers of the efforts made by the Contadora Group toward pacification in Central America.

At our first meeting, held on January 8 and 9 on Contadora Island, we emphasized the need to strengthen the Latin American dialogue as an effective way of dealing with the political, economic, and social problems that are jeopardizing peace, democracy, stability, and development of the peoples of the hemisphere. Also at that meeting we issued an appeal to all the countries of the Central American area to use dialogue and negotiation to reduce tensions and lay the foundations of an enduring climate of peaceful coexistence and mutual respect among the states, based on the principles of nonintervention and self-determination of peoples. [16]

We Foreign Ministers meeting there, in expressing our deep concern about foreign interference in the Central American crisis, observed that it would be highly undesirable to include the conflicts of the area within the context of the East-West confrontation. We also reaffirmed the obligation of the states not to resort to the threat or use of force in international relations and to refrain from acts that might worsen the situation by creating the danger of a widespread conflict encompassing all the states of the region.

For the purpose of attaining those objectives, dialogue and negotiation between the States involved have been encouraged for it is they that should make the primary effort on behalf of peace in the region. The Contadora Group has proposed facilitating understanding and political conciliation among the Central American countries, convinced that a regional solution can prevent a worsening of the conflicts and smooth the way toward pacification of the area.

The Foreign Ministers of the Contadora Group have met together periodically and on four occasions have met with their Costa Rican, Salvadoran, Guatemalan, Honduran, and Nicaraguan counterparts. Furthermore, they have visited those countries to hold talks with all the Heads of state. The first three meetings of the Contadora Group with the Central American Foreign Ministers were held on April 20–21, May 23–30, and July 28–30, 1983, respectively. Those meetings enabled us to make some progress in defining an agenda covering matters of concern to

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[15] Source: OAS document AG/CG/doc.6/83. The document accompanied a letter from Rodrigo Lloreda Caicedo, Foreign Minister of Colombia, Bernardo Sepúlveda Amor, Foreign Minister of Mexico, Oydén Ortega, Foreign Minister of Panama, and José Alberto Zambrano Velasco, Foreign Minister of Venezuela, to Fidel Chávez Mena, Minister of Foreign Affairs of El Salvador and President of the General Assembly, dated November 16, 1983.

[16] Information bulletins for all the meetings of the Contadora Group, which were attached to this document, are not printed.

each Central American country, and also to consider procedures, approaches, and possible ways of solving specific issues. At all of them, the central objective was to create a climate of confidence for initiating substantive negotiations on each of the issues in dispute.

In view of the worsening of the conflicts in Central America, the rapid deterioration of the regional situation, the escalation of violence, the progressive increase in tensions, border incidents, and the threat of an outbreak of hostilities that could become widespread, the presidents of the countries of the Contadora Group decided to meet on July 16 and 17 in Cancún, Mexico. At that meeting, they issued the Declaration of Cancún on Peace in Central America, which, for the first time, delineated a set of specific commitments that, if adopted, would ensure peaceful coexistence in the area.

On that same occasion, the Heads of state addressed the chief executives of the Central American countries, Cuba, and the United States; the Secretaries General of the United Nations and the Organization of American States; and the Chairman of the Permanent Council of our regional Organization, for the purpose of seeking their support for the peace-making efforts of the Group in Central America.

As a result of the negotiations undertaken on the basis of the Declaration of Cancún, and taking into account the contribution of the Central American countries, the Foreign Ministers made significant progress at their fourth joint meeting, held in Panama on September 7, 8, and 9—particularly with respect to the drawing up the Document of Objectives, which contains 21 basic points for the pacification of Central America. That document, adopted by the Foreign Ministers of the region, was subsequently approved by all the Central American Heads of state.

The Document of Objectives comprises a set of principles and fundamental commitments for dealing with the most serious problems of the area and for achieving peace, security, the necessary cooperation for economic and social development, and the strengthening of democratic institutions in Central America. This is the first concrete political understanding that, with the backing of the Contadora Group, has been adopted by Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua.

In order to further define the legal instruments and control and inspection arrangements for ensuring fulfillment of the obligations arising from the Document of Objectives, the Foreign Ministers of the countries of the Contadora Group met in Panama on October 21 and 22. The legal instruments prepared at that meeting will be examined during the fifth joint meeting of Foreign Ministers.

At present, the fundamental purpose of the efforts of the Contadora Group is to obtain the conclusion of agreements that specify and formalize the commitments undertaken, and effectively ensure peace, security, cooperation for development, and strengthening of democratic institutions in the region. We believe that the negotiation process can reach a successful conclusion in the near future. We urge the Central American countries to expedite and increase their efforts toward that end, and we also urge those states with interests in and ties to the region to cooperate in the achievement of our objective of peace.

Document 645

Address by the Under Secretary of Defense for Policy (Iklé) Before the Dallas World Affairs Council, Dallas, November 16, 1983 [17]

The Future of Democracy in Central America

Here in Dallas, where El Salvador is no farther away than Washington, I do not have to labor [*belabor*] the importance of Central America.

Not every American, however, seems to understand how vital Central America and the Caribbean are to the welfare and security of our country. On election day a week ago, a majority of voters in three cities—San Francisco, Seattle, and Boulder, Colorado—approved resolutions that asked the President, in essence, to abandon Central America to the risk of conquest by Soviet- and Cuban-supported forces.

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[17] Source: Department of Defense files.

To believe that we can simply walk away from the problems of Central America means to forget our long and open border toward the South. It means to ignore the important cultural, social and economic ties that bind the United States to the region and the economic interests that unite us. To abandon Central America means to accept a growing Soviet military presence in our hemisphere—the threat of which has been underlined by the continuing Soviet arms buildup in Cuba and Nicaragua and by the beginnings of a startling new buildup recently revealed on Grenada.

But more troublesome would be the social and moral implications of our abandoning Central America. As we do with Europe, our nation enjoys an extensive and many-sided relationship with the people in the region. Hence, the fate of human rights, of economic betterment, and of democracy in the Caribbean region is intertwined with the fate of our own nation. To advance these objectives, we must help prevent the spread of totalitarian regimes. Once such regimes are entrenched, it will be so much harder, perhaps impossible, for us to further the cause of human rights. Ask yourselves what the United States can accomplish today for human rights in Cuba or North Korea. What can we do once we face such regimes?

Similarly, the hopes for economic development in the region would be set back by the further spread of communist regimes. Cuba, before Castro took over, enjoyed the third highest per capita income in Latin America; today, after 25 years of Communist mismanagement, it is near the bottom.

In World War II, at great cost, we fought against Fascist dictatorships in Europe and helped restore democracy from Norway to Italy. In the late 1940's, under the Truman Doctrine, we prevented the installation of Stalinist dictatorships in Greece and Turkey. In 1950, again at great cost, we intervened with combat forces in Korea so that Kim Il Sung could not impose his cruel dictatorship on the people of South Korea. Shouldn't we care deeply whether or not democracy or dictatorship will prevail in a region so much closer to us?

Today, helping to preserve a future for democracy in Central America makes much smaller demands on us than did these past efforts in far more distant places. Today, no need for US combat forces exists; there are no intentions, no requirements, for American soldiers to get involved in fighting. The needs today are economic assistance, continued support for democratic development and human rights, and adequate military assistance for these positive developments to prevail. The continued, patient, but persistent pressure for human rights and democracy is essential to put a stop to the internal violence. Equally essential is enough military assistance so that countries struggling to achieve or protect democracy can bring an end to the violence supported by outside Communist countries, such as Cuba and the USSR.

President Reagan is determined to pursue all opportunities for negotiation. As you know, the administration has an active diplomatic effort under way to help restore and preserve the conditions for democracy. It is to be hoped that all of those who are willing to let the people decide their own future can be won over to participate in the democratic process. This is the best way to bring the violence to an end. But we must face up to the fact that some of those who are bent on destroying democracy in the Caribbean area are people of deep convictions. These people, we can no more win over through negotiation, than Neville Chamberlain could negotiate with Hitler to save Czechoslovakia, or President Carter could negotiate with Brezhnev to save Afghanistan.

As long as the Soviet Union, Cuba, and the Sandinista regime in Nicaragua can provide arms, terrorist training, and other support for a continued assault against democratic development, the social and political situation in Central America can scarcely improve. Our economic aid would be wasted, if this outside intervention could continue to blow up bridges, burn buses, and destroy power lines.

We are all agreed that in places like El Salvador, while opposing terrorism of the extreme left, more must be done against the death squads of the violent right. The Reagan administration is making a concerted effort on this issue. Last week I visited several countries in Central America, and my main purpose in El Salvador and Guatemala was to press for improvement in human rights. The Communist guerrillas in El Salvador, of course, benefit from

the human rights violations that can be blamed on the violent right. I was not surprised, therefore, to learn in El Salvador last week that the death squads of the violent right and the death squads of the guerrillas fight, not each other, but the democratic center and the government that seeks to hold fair and open elections. This means that the violent extremists on both sides are in practice working together. It has happened before in this century that fascists act as tools and accomplices of totalitarian Communist forces. If we want to help democracy and human rights, both must be defeated.

Our concern for human rights would be hypocritical if we remained oblivious to the actions of the Sandinista regime in Nicaragua: the persecution of the Catholic Church, the razing of the Miskito Indian villages, the building-up of a repressive Stalinist police state, and—above all—the exporting of terrorism into democratic Costa Rica and Honduras.

Perhaps the people in this country who want us to wash our hands of Central America see all the nations there as military dictatorships. Last week I visited two genuine democracies, Honduras and Costa Rica. Costa Rica has been a true democracy for a long time. It does not even have an army, only a tiny militia and a small civil guard. But today in Costa Rica and Honduras the democratic governments and the people are deeply worried about the threat from Nicaragua, where a massive military buildup grows apace with the Stalinization of the country.

I believe that most Americans are not prepared to let democracy in Honduras and Costa Rica be destroyed. What would our commitments mean—to Israel, to Norway, or to any other ally—if such nations as Honduras and Costa Rica, democratic allies in our own hemisphere, could not count on our support against the threat from their totalitarian neighbor?

If we act now with resolution and foresight, the costs will be modest. Compared to the security assistance that we are providing to our allies in the Mediterranean region, the assistance now required for the Caribbean region is very small. Congress has quickly and easily approved some four and a half billion dollars in security assistance to nations in the Mediterranean region. Yet, it has slashed back the President's request for the much closer Caribbean region, though the amounts involved were only one-twentieth as much.

Let us not make the mistake of too little and too late. If we calibrate our support at a level so low that we are bound to be always short of success, we ask for defeat in the long run. Today, a comparatively small amount of assistance can make it possible to achieve peace and democracy. But if we deny our friends the means to defend themselves while the soviet bloc pumps ten times more military aid into Cuba and Nicaragua than we provide to the whole region, the enemies of democracy are bound to win.

If we accept a protracted stalemate now, we will have a heavy price to pay a few years hence. The Sandinistas will continue the massive military build-up in accordance with the plans they have long revealed. Today, Sandinista forces already number some 25,000 men in active and 50,000 in reserve forces, and 36 new military bases have been built in Nicaragua since July 1979. By contrast, democratic Honduras has only 14,000 men in the armed forces. And remember Costa Rica has practically no army at all. Thus, in a few years hence we would, in effect, have a "second North Korea" in the middle of Central America. At that point, we would either have to abandon allies that are genuine democracies, or we would have to back them up in a military East–West confrontation much like on the Korean peninsula. Such a bleak choice can and must be avoided.

Document 646

Address by the Deputy Assistant Secretary of State for Inter-American Affairs (Michel) Before the Department of the Treasury Conference on Sanctions and Settlements, Arlington, Virginia, November 17, 1983 [18]

The Cuban Challenge to the Hemisphere

In a conference on U.S. sanctions it seems desirable to step back for a moment

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[18] Source: Department of State files.

from consideration of programs and procedures and to reflect on the broader policy aspects of our relations with the affected countries. I have been asked to do that with respect to Cuba.

It has been the policy of the United States for more than 20 years to deny to Cuba the trade and credit of its natural market. This policy has been questioned from time to time, and efforts have been made to moderate Cuban behavior through holding out the prospect of normalized relations with the United States. Yet, the policy remains in effect, and Cuban behavior remains antagonistic to our national interests.

The rationale for U.S. policy toward Cuba is not merely ideological. The United States enjoys normal relations with many other nations which declare themselves to be Marxist-Leninist. We engage in trade with the Soviet Union, Cuba's ally and benefactor, although on a limited basis and under significant controls. Why then have we tried to isolate Cuba within the Western Hemisphere—kept it at arms' length and denied it the legitimacy that would be implicit in more normal relations? And is it wise for us to maintain such a policy at a time when diplomatic efforts are being made to reduce the heightened tensions in Central America, where Cuba has played such an active role? Unfortunately, the facts of Cuban behavior demonstrate that our embargo policy has been and remains a correct and necessary instrument for containing the real challenge to the hemisphere which Cuba represents.

The Cuban challenge, far from being one of ideas, is one of unacceptable actions—the export of armed violence and military collaboration with the Soviet Union. The Cuban constitution defines a doctrine of "internationalism" that includes a right and duty to "help the peoples that struggle for their liberation" and recognizes "the legitimacy of wars of national liberation." Cuba's documented active involvement in the counseling, supplying and training of armed insurgents bent on overthrowing the governments of many countries in the Western Hemisphere amply demonstrates that Cuba's internationalism is not confined to moral or political support of revolutionary movements.

For its first 10 years in power, the Communist government in Havana attempted to replicate its revolution elsewhere in the hemisphere—in Venezuela, Colombia, Guatemala, Peru, and Bolivia. This unabashed policy of intervention led to Cuba's exclusion from active participation in the OAS and to the imposition of sanctions under the Rio Treaty.[19] Following the death of Che Guevera in 1967, Cuba's active support of hemispheric insurgencies appeared to diminish and many Latin American governments established diplomatic and trade relations with Cuba. In 1975 the OAS sanctions were lifted;[20] in 1978 Cuba resumed its program of support for subversion, concentrating on the Caribbean Basin.

Today, Cuba has 8,000 personnel in Nicaragua, 2,000 of them from its security forces. In Nicaragua we are seeing a repetition of the example set by Fidel Castro when he came to power in Cuba. Under Cuban tutelage an inner core, the Sandinista National Liberation Front (FSLN), is consolidating political power at the expense of the democratic forces who joined with the Sandinistas in achieving the overthrow of the Somoza regime. The Sandinistas have come to dominate the army (by far the largest in the region), the internal security apparatus, trade unions, professional organizations, the media and the ministries of government. Opponents are harassed and repressed.

With a secure foothold in Nicaragua, Cuba has been able to spread its efforts to the neighboring countries in Central America. The guerrillas in El Salvador, united in a common front at a 1979 meeting in Havana, maintain their headquarters in Managua. Terrorists and guerrillas, not only from El Salvador, but also from Guatemala, Honduras, and Costa Rica,

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[19] Cuba was formally excluded from the Organization of American States on February 14, 1962, in accordance with a decision to that effect made at the Eighth Meeting of Consultation of Ministers of Foreign Affairs of the American Republics, which met at Punte del Este, January 22–31, 1962. See *American Foreign Policy: Current Documents, 1962*, pp. 320–331. Economic sanctions against Cuba were imposed at the Ninth Meeting of Consultation of Ministers of Foreign Affairs, held in Washington, July 22–25, 1964. See *ibid., 1964*, pp. 328–334.

[20] Sanctions were lifted at the Sixteenth Meeting of Consultation, held in San José, July 29, 1975. For text of the resolution ending sanctions, see Richard P. Stebbins and Elaine P. Adam, eds., *American Foreign Relations, 1975: A Documentary Record* (New York, 1977), pp. 281–282.

travel to Nicaragua and from Nicaragua to Cuba for training and indoctrination. And Cuba serves as a source of arms and matériel, providing important leverage and control over insurgents throughout the region.

Cuba's support of armed violence in the Western Hemisphere has injured its standing with other American States. Colombia severed diplomatic relations in March 1981 after Cuban leaders acknowledged that they trained M–19 guerrillas who attempted the violent overthrow of the Colombian Government. Incidentally, it is in connection with the M–19 movement that Cuba utilized arms smugglers who were also active in the illicit drug trade, providing them with safe passage through Cuban waters and thereby facilitating their efforts to get their narcotics into the United States. More recently, we have seen the Government of Suriname throw off the Cuban embrace after Suriname's leaders had seen the fate of Maurice Bishop at the hands of his own Cuban-trained and Cuban-oriented party colleagues in Grenada.

Cuba's actions in dominating the power structure in Grenada are just now coming to light as we begin to analyze the numerous documents recovered by U.S. forces. We expect these documents to be a source of substantial new information about Cuban plans and actions elsewhere in the Caribbean. One facet of the Cuban role is made clear by the secret treaty between Grenada and the Soviet Union. That treaty, the text of which was made public on November 4, provided for the clandestine delivery of vast quantities of arms, far in excess of the needs of the tiny island nation of Grenada. These deliveries were to be made through Cuba. The treaty was signed in Havana.

The Cuban role in the implementation of the USSR–Grenada arms treaty exemplifies how Cuba functions as a Soviet surrogate. Cuba is, of course, politically aligned with the Soviet Union. Notwithstanding its pretensions to leadership in the Nonaligned Movement, Cuba's voting record in the United Nations is closer to that of the Soviet Union than those of several Eastern European states. This political alignment has been heightened by economic dependency. Cuba's centrally planned, nonmarket economy is stagnant. It depends on sugar for more than 80 percent of its export earnings. Cuba is the world's largest exporter of sugar, a commodity for which supply has increased faster than demand and prices are likely to remain depressed for some time. Consequently, Cuba is burdened with a debt of over $3 billion in hard currency and an estimated $7 billion in soft currencies. It depends upon enormous subsidies from the Soviet Union—more than $4 billion in economic assistance last year alone. Unemployment is growing and is only partially relieved by the dispatch of over 70,000 Cuban citizens to duty abroad (more than half of them in the Armed Forces).

A relaxation of the U.S. embargo would not bring immediate and significant relief to the ailing Cuban economy. Wide-ranging policy reforms and structural adjustments would be needed to achieve significant growth. However, access to foreign exchange would help relieve an immediate cash shortage and, over time, access to the relatively enormous U.S. market could be of substantial benefit. The trouble is that while Cuba continues in its policy of support for armed insurgencies in this hemisphere and as surrogate for the Soviet Union in military adventures around the globe it remains in our interest to avoid strengthening the Cuban economy or diminishing the cost to the Soviet Union of preventing further economic decline.

In the past, we have sought to elicit changes in Cuban behavior through the offer of liberalization in our economic relations. Both the Ford and Carter administrations sought to improve relations. But their efforts foundered on renewed Cuban manifestations of its doctrine of internationalism in support of armed revolution. Cuba was willing to see the United States relax its controls on trade and financial transactions, but it has been unwilling to modify its own actions that had caused those controls to be imposed.

While the fundamental issue of Cuban adherence to its revolutionary brand of the doctrine of internationalism is likely to remain with us for some time, I would not want to leave you with the misleading impression that U.S. policy is to reject out of hand the possibility of dialogue to resolve those bilateral issues that do not depend upon a basic change in Cuba's policies. For example, we offered to discuss the problem of Cuban interference with U.S. radio broadcasting. And we have offered to renew the issuance of visas in Cuba if Cuba would accept the return of those in-

cluded in the Mariel exodus who have been found ineligible for admission to the United States under our immigration laws. Unfortunately, Cuba has not responded positively to either of these initiatives.

As to the future, there remains the possibility that in time economic constraints will contribute to changes in Cuban-Soviet military collaboration and to moderation in Cuba's export of armed violence. If so, we would have good reason to consider once again modifications in our embargo policy. Until Cuba modifies its actions, however, it remains a threat to democracy and security in the hemisphere and our policy must seek to restrain and diminish this threat.

Document 647

Resolution Adopted by the OAS General Assembly, November 18, 1983 [21]

Peace Efforts in Central America

The General Assembly,

Having seen the communication presented by the Ministers of Foreign Affairs of Colombia, Mexico, Panama, and Venezuela to this Assembly on the peace efforts they are making in Central America; [22]

Noting the Declaration signed by the Presidents of Colombia, Mexico, Panama, and Venezuela at Cancún, Mexico, on July 17, 1983;

Commending the Document of Objectives adopted last September under the auspices of the Contadora Group, by Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua;

Cognizant that the Document of Objectives contains a set of principles for addressing the most serious problems of the area and achieving peace, security, and the cooperation needed for the region's economic and social development;

Considering that the Contadora Group is engaged in a worthy effort aimed at achieving peaceful relations in the region, based on the creation and strengthening of a climate of international security in keeping with the principles established in international law, of democratic and pluralistic institutions, and of sustained economic and social development activities,

Resolves:

1. To reaffirm the importance of the principles and rules of American comity contained in the Charter of the Organization of American States, and particularly the obligation to settle disputes by peaceful procedures alone, to abstain from the use of force, not to interfere either directly or indirectly or for whatever reason in the internal or external affairs of any other state, and to respect the right of each state to lead its own cultural, political, and economic life freely and spontaneously.

2. To reaffirm the right of all countries in the region to live in peace and security, free from any external interference.

3. To express its firmest support for the efforts of the Contadora Group and to urge it to persevere in its efforts.

4. To welcome with satisfaction the Declaration of Cancún on Peace in Central America issued by Presidents Belisario Betancur of Colombia, Miguel de la Madrid of Mexico, Ricardo de la Espriella of Panama, and Luis Herrera Campins of Venezuela.

5. To note with approval the adoption of the Document of Objectives approved by the Central American States at the proposal of the Contadora Group, which contains a set of basic principles and commitments to be negotiated for addressing the conflicts in the area and achieving peace, international security, democracy, and the cooperation needed for the region's economic and social development.

6. To urge the Central American states to negotiate forthwith, on the basis of the principles enunciated in the Document of Objectives, agreements that will formalize the objectives arising from those documents, and devise monitoring and verification mechanisms that will ensure their fulfillment.

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[21] Source: OAS document AG/RES. 675 (XIII-0/83). The resolution was adopted at the seventh plenary session.

[22] See document 644.

7. To request all the states to abstain from any act that may heighten tensions, hamper the negotiation efforts the Contadora Group is making in mutual agreement with the Central American Governments, or impede the creation of a climate of dialogue and negotiation conducive to the restoration of peace in the region.

Document 648

Address by the Ambassador to El Salvador (Pickering) Before the American Chamber of Commerce, San Salvador, November 25, 1983 [23]

"The Essential Stumbling Block to Democracy in El Salvador Remains Extremist Terror"

I am pleased to follow a Salvadoran tradition by making my first general address to the American Chamber of Commerce. I hope my remarks are as interesting and stimulating to you as those of my predecessor proved to be.

Since I have arrived, my new Salvadoran friends have frequently asked me how I like El Salvador. I like it very much. This is a beautiful country. The people are friendly, hard-working and courageous.

But I think what they really are asking is this: How do I see the current situation? How do I see the future? And, perhaps most importantly, does my presence mean American policy has changed?

A new Ambassador in a country of El Salvador's importance makes these questions obvious and natural. This speech will try to answer them.

The policy question is perhaps the easiest.

The truth is there is no change.

Last April President Reagan outlined our policy before a joint session of Congress. It is clear, straight forward and easy to remember because of the four "D's" describing the four pillars of our policy: democracy, development, diplomacy, and defense.

Permit me to begin with defense, because without an adequate defense none of the other areas of the policy can survive. But even a perfect defense, a "military victory," assures neither long range security nor the basic goals of political and economic change shared by El Salvador and the United States.

So, with the caveat that our policy cannot rest on defense alone, I would like to share my views on the military situation with you.

Your armed forces have demonstrated great valor in confronting an elusive enemy under difficult circumstances. Their real accomplishments have too often been ignored while at times they have been harder hit on the front pages of the newspapers than they have by the guerrillas.

The truth is that over the past 3 years the armed forces have greatly advanced as a fighting force. Even so, both the armed forces and the United States still recognize there is a considerable distance to go. For example, just over 20 percent have received U.S. training.

Since June the Salvadoran military has been constantly in the field, beginning first in San Vincente Department, where 3 months of steady effort have laid a solid foundation for the national plan.

The plan was designed to provide security, followed by rebuilding the infrastructure, resettling refugees, and finally be instituting and continuing the economic development of the country. The plan is working. It is working despite the fact that nothing of this magnitude has ever been attempted here and much has had to be learned. It is working despite the new guerrilla offensive.

As for the long-predicted guerrilla offensive, the capacity of the guerrillas to initiate frequent actions against small and weakly-defended or undefended villages and towns is inherent in the nature of the struggle. Warfare in El Salvador has been so in the past, and until training and

[23] Department of State files.

equipment can turn the balance, it is likely to remain so.

The army's reaction to the offensive has been much better than commonly assumed. They have managed to relieve or retake more than 75 towns attacked by the guerrillas within 6 to 36 hours. They have stayed in the field. They have improved their capacity for patrolling, conducted several counteroffensives, and are steadily improving their communications, air support, and the use of intelligence.

While the army has gotten stronger and improved and consolidated its position, the guerrillas, too, continue to be strong. It is clear that the guerrillas have received good training and considerable foreign advice and support. They have good communications systems and a good intelligence network.

But for all that, and in spite of not having to defend fixed installations or bases, the guerrilla victories have been those of propaganda rather than of military effect. They have not significantly enlarged their control over the population, the economy or the national territory. Their offensive has cost them blood and war material. They are short on supplies in some key areas and there are signs the offensive may be winding down.

For the future, the carrying of the San Vicente operation into its next stage in Usulutan and retaking the initiative nationwide are vital. We are convinced that the government and the armed forces intend and have the capability to do so.

One unknown element in the future of the military conflict is the question of how successful we will be in persuading the Congress to provide the funds for continued assistance and training. But this is a point I will discuss in connection with human rights. First I would like to discuss economic development.

We are beginning to see some small, early signs of positive change in the economy. It is far too early to be even guardedly optimistic. But it is soon enough to begin to point out some of the favorable signals.

While all the results are not in, it appears that the disastrous decline in the real growth rate—25 percent in the past 4 years—will be arrested this year. For the future, we intend to change our approach and target our assistance programs on the positive growth we believe possible.

—Recent estimates of agricultural production indicate that earlier predictions were too low.

—There have been some imaginative suggestions made on reviving Salvadoran industry.

—The Caribbean Basin Initiative—the Reagan Plan—provides a new door which is open to large and increasing American markets. We are encouraged by the fact that in spite of the tough conditions which must be met, Salvadorans are taking a hard and energetic look at how to compete in the world's richest market. Progress in taking advantage of the initiative in the coming year would do much to restore faith and dynamism to the economy. This is a clear challenge to you in the private sector to combine support for the country with personal enterprise.

—There is animated, and I hope serious, discussion about agricultural diversification.

—The economic part of the national plan is moving ahead, albeit slowly and with growing pains.

—Other signs, however small, are also encouraging. The U.S. economy and parts of the world economy are improving. Coffee quotas and prices are up slightly. Salvador has received a larger share of the U.S. sugar quota. The housing market in San Salvador is firmer, and there are other indications of internal economic strengthening.

There are also indications that the long, bitter debate on Agrarian Reform may be coming to an end. As you know, support for Agrarian Reform remains a cornerstone of U.S. policy since we believe it essential to social and economic progress. So we are heartened when, in our discussions with each of the political parties, we find broad consensus on the fundamentals of Agrarian Reform. All of the parties seem to agree that:

—Phases I and III should be completed and perfected. They cannot and should not be reversed.

—There should be greater equity in land tenure and reasonable limits on the amount of land that any individual or family can hold. Since the Government of

El Salvador does not now have the wherewithal to carry out Phase II, a market mechanism which takes into account the needs of campesinos should be implemented in order to achieve these ends by a given date.

We believe that an effective compromise on Agrarian Reform in the Constituent Assembly is well within reach. Such an action on the Agrarian Reform would further solidify U.S. support for El Salvador. It would also "unfreeze" Phase II lands. It would permit investment and productive development for the future, while providing new opportunities for landless campesinos to enjoy the benefits of holding their own farms.

Finally, we support a balanced budget, new taxes required to cover deficit, and then increase in government austerity so that essential expenditures can be covered. The government deserves congratulations and support for its steps in this direction.

For all of this, we must not forget what remains to be done.

—To rebuild what is destroyed;

—To generate new sources of employment and production;

—To expand humanitarian relief for refugees;

—To improve foreign exchange reserves;

—To rebuild the regional common market;

—And, perhaps most importantly, to renew efforts to improve the lives of the poor through nutrition, education, access to health facilities and decent housing.

Strengthening democracy here in El Salvador presents the toughest and the most important challenge. President Reagan listed this aspect before all others in his address last April.

As with headline writers, we are all too often tempted to focus only on sensational events or the bad news, while the small quiet steps that add up to progress are overlooked.

Let's look at the signs. The Assembly has become the Nations' arena for healthy and vigorous public debate. This is as it should be. The Assembly has been much maligned for taking too long to resolve issues before it. But I would counsel patience. What we are witnessing is a phenomenon that is new for El Salvador—open debate in a body where there is no permanent majority, and where the outcome is not a foregone conclusion.

Coalitions form around specific issues only to break up and coalesce in different shapes. The Assembly has shown its mettle by taking on controversial issues such as a painful but necessary tax package, the extension of Phase III of the Land Reform and the Amnesty Program. The Constituent Assembly has set Presidential elections for March 25, 1984, thereby fulfilling the goal of the Pact of Apaneca. [24] These elections are essential for establishing a constitutional democracy with a mandate to govern effectively.

The U.S. Government unreservedly supports these elections and applauds the Assembly's action. We remain firmly committed to helping the Salvadoran Government hold free and honest elections such as those of March 1982, which won the respect of democratic governments the world over. We are already providing $3.4 million in assistance to the Central Elections Council.

Democracy has registered gains in other areas:

—The executive and judicial branches of government have recognized the serious need for judicial reform and both have named commissions to deal with the problem and recommended changes.

—The Democratic Labor Movement has begun to lobby forcefully but peacefully on issues it considers of vital importance. Such activity is intrinsic to any truly democratic society. It is a tribute to the growing maturity of Salvadoran democracy that the government has allowed peaceful demonstrations of labor's growing strength to take place.

—The Peace Commission has held initial contacts with the representatives of the guerrillas. While the guerrilla's rejection of election participation has been discouraging, the democratic forces in El Salvador have made it clear that the door remains open to those who wish to resolve

[24] For text of the Pact of Apaneca, August 3, 1982, see *Presidential Certification on Progress in El Salvador*, pp. 53–57.

the nation's problems through the democratic process. There is room for moderates on both sides to come together.

But for all these signs of progress the essential stumbling block to democracy in El Salvador remains extremist terror.

In the last few months this terror has once again surged. This terror can undo all the progress which has been made. It can destroy democracy in El Salvador.

I don't care what their ideology is, my Government and I are opposed to terrorism, be it terrorism of the left, terrorism of the right, or simple criminal terror which knows no ideology.

The important thing is that the terrorists are murderers, torturers and kidnappers. As such they deserve nothing less from society than open and honest punishment for such crimes.

There is information available to many of us about some of the personalities involved. I am keenly aware that much of that information may not at present be sufficient for a court of law. My deep concern is that no one seems to be trying to develop evidence which would stand up in court. There is now a starting point. We are certain that these individuals are as well known to the security forces as they are to those of us who have been in the country only a short time. In fact, information has been recently published in the foreign press repeating much of what is already known about death squad activities.

There has been little doubt of the commitment of the authorities to dealing with terror by the FMLN. There may be lack of means, but there is no lack of resolve. What has distressed my government is the lack of parallel action against those who murder and kidnap university professors, doctors, labor leaders, campesinos and government workers. We know by their selection of victims and other information that the Maximiliano Hernández Martínez Brigade and the secret anti-Communist Army are not guerrilla organizations. It is another case of Fascists serving the Communist cause and this is all the more reason why the investigations must take place.

None of us can afford to continue in the self-deluding belief that nothing is really known about the shadowy world of these individuals and, therefore, nothing can be done. The cost is too great for both our nations.

The costs indeed are real. The U.S. Congress has reduced this year's military aid to El Salvador by $22 million and conditioned the remainder. (Our President's request for $86 million in military aid has yielded only $64 million.) There is little doubt that the reappearance of death squad activities was the cause.

What does the loss of $22 million mean?

—It means that your homes, farms and businesses will have less protection than they otherwise would have.

—It means that the army will expand by several thousand troops less than it otherwise would have.

—It means that the troops who are fighting for your country in the hills right now will have to get along with less and that surely more officers and men will be wounded and die as a result.

But more than $22 million in bullets and helicopters and training is at stake. The future of your society is at stake. No one wants to live in a country where no efforts are made to find out who dumps bodies in gas stations and parking lots. No one wants his children to grow up in fear that almost anything his children say may be taken as "subversive."

Just over a year ago, in this very forum, my predecessor, focused his remarks on this same topic.[25] I am sorry to say that while there has been increased recognition of the problems of the judicial system here, too little has changed.

It was said by some that his remarks did not reflect Washington's views on the matter. But I say this is clearly not so. The White House, the Department of State, and Department of Defense have all spoken out condemning the actions of the death squads. The President of El Salvador, the political commission and the Minister of Defense have all condemned the death squads.

Some day, and today is not too soon, Salvadorans will have to begin to create

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[25] For text of Ambassador Hinton's speech of October 29, 1982, see *American Foreign Policy: Current Documents, 1982*, p. 1479.

the national consensus that such actions are not only reprehensible merely as a matter of rhetoric, but are issues on which they and their fellow citizens must be heard. What is wrong should not only be called wrong, there should be a national consensus that it is wrong.

I am surprised that the consensus has not emerged. Less than three weeks ago nine strangled bodies stuffed into sacks were found in Zaragoza. Among the dead were two obviously pregnant women. Is there anyone in this room who can find any pretext, any excuse, to justify this? Where are the condemnations? Why hasn't the private sector, which regularly issues statements on political matters, publicly condemned such outrages? Why haven't the daily papers done so? Is the condemnation of murder the business only of human rights organizations, some government leaders, the Roman Catholic Church and the U.S. Government and its Embassy? The whole world noted, how, this October 21, 1 million Spaniards in over 40 cities peacefully demonstrated their repudiation of violence.

Failure to take the necessary steps now risks turning El Salvador over to anarchy in the short run and later to the Communists who will benefit most from the anarchy.

For the moment those in a fool's paradise may cite examples of places where terror supposedly turned the tide in favor of stable, but autocratic, governments. A neighboring state comes to mind, but its condition is no less perilous today for such actions. These short range successes have almost always engendered long-range disasters and it is most often the left that enters with its own form of tyranny as a result. While the events of 1932 may have engendered some years of stability, they form part of the background for the problems of today. [28]

Several times during the last century the United States has itself had to deal with the murderous excesses of secret terror squads like the Ku Klux Klan. Even now shabby remnants of that hate-filled organization continue to exist. The struggle to break the power of the Klan organization was long and painful. Brave men and women lost their lives in that fight. The struggle was difficult for many of the same reasons that your struggle is difficult. The organizations are secret. They do not hesitate to intimidate or kill those who oppose them. And perhaps most importantly, too many "decent people" refuse to recognize that these terrorists are not espousing any social or political order worth upholding. You can be certain that my government will continue to cooperate with the Government of El Salvador to isolate and punish such criminals.

My words on these issues are no easier for me to say than they are for you to hear—especially since I count myself a friend of El Salvador. Even though I have been here only a short time, I believe the time has come for me to say, as a friend, what I believe to be true and to say what must be said.

And what I have said here has been said to me in turn by many Salvadoran friends. Out of fear or other emotion they have not said so publicly. However, I can do no better, and certainly no worse, than to repeat for you here and now, as I just have, the clear meaning of these discussions with friends.

It is clear that the perilous and depressed times in which El Salvador and Central America now find themselves, provide the leaders of the region with extraordinary challenges. We do not focus enough on the historically unprecedented opportunities which these times also provide.

The common heritage and common geographic conditions of the region have frequently offered not a cause for unity but a cause for competition, even armed competition. Likewise, there has at times been a lack of a sense of shared purpose with their great neighbor to the north, with Mexico, and with the equally dynamic nations to the south, Panama, Colombia, and Venezuela.

The coming together of the five Central American nations with their four neighbors in the Contadora process is an important development in the search for a solution to regional problems. It is unfortunate that the proximate cause of this unprecedented diplomatic event is the ten-

[28] A reference to the massacre ("*matanza*") of at least 10,000 campesinos by the Salvadoran Army in the aftermath of an abortive peasant uprising touched off by Augustin Farabundo Martí and his embryonic Communist Party in January 1932. The President of El Salvador at the time was General Maximiliano Hernández Martínez.

sion injected onto the Central American mainland by Nicaragua. Nonetheless, the reliance on diplomacy through the Contadora process is a milestone in the development of relations among the countries of the region.

The common adversity faced by the democratic countries of Central America has strengthened regional solidarity. The principles developed by the Central American Democratic Community at San Jose provide not only a formula of peace for the region but also a basis for solidarity. We support and welcome the skillful diplomacy of the leaders of the democratic nations of Central America. Particularly we salute President Alvaro Magaña and Foreign Minister Fidel Chavez Mena for their efforts toward regional solidarity.

The increasing level of political cooperation in Central America provides a framework for cooperation and future progress. First and foremost this is true in the economic arena. The free enterprise systems of the four countries have shown remarkable resilience in dealing with a series of economic blows that would have crippled many states, including those with the centrally directed economies of the communist world. We in the United States are now pledged to help through the Caribbean Basin Initiative, through support for the Common Market and through long-range development plans being studied by the Bipartisan Commission and others.

Markets are essential to this effort. We must all recognize that the small, fragmented markets of the individual Central American countries will not by themselves be able to provide sufficient economic growth in the years ahead. Maximum advantage must be taken of the 17 million person regional market. The integration of this market contributed to real growth of well over five percent a year in all Central American Common Market member countries during the 1960's. But, of even more fundamental importance, the countries of the region should increasingly reach out to the great markets of the United States, Europe and Japan. Competing in these markets, however, requires more than simple production. It requires the sort of environment toward which El Salvador is striving—one in which businessmen, laborers, and campesinos have confidence in the security of the enterprises to which they dedicate themselves. One in which there is respect for their rights under the law—both personal rights and property rights. When the rights of anyone are treated recklessly, then all have reason to fear and the very environment which is essential to future prosperity is destroyed.

To close my thoughts tonight, it may well be that in years to come historians will look back on this time of great challenge to Central America as a decisive period in the region's history. A period when the nations under challenge responded by strengthening their democratic and pluralistic institutions, developing new levels of economic dynamism, and a new sense of how best to protect their own security.

This will also be, I hope, a period when Central America enhances its cooperative relationships with its nearest neighbors. This is the hope of my country for the region and for El Salvador.

I am glad to be joining you all in this endeavor, an effort based on our respect for one another as individuals and on our Nations' respect for one another as sovereign independent states.

Document 649

Statement by the Principal Deputy Press Secretary (Speakes), November 30, 1983 [27]

"Such [Certification] Requirements Distort Our Efforts To Improve Human Rights, Democracy, and Recovery in El Salvador"

The President today withheld approval of H.R. 4042, an enrolled bill that would require two Presidential certifications regarding El Salvador in 1984 or until the enactment of new legislation imposing

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[27] White House Press Release, November 30, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, December 5, 1983, pp. 1627–1628.

conditions on U.S. military assistance for that country.

This administration is firmly committed to the protection of human rights, economic and political reforms, the holding of elections, and progress in prosecuting the cases of murdered American citizens in El Salvador. However, the process of certification as called for in H.R. 4042 would not serve to support these endeavors.

His decision to oppose this certification legislation reflects the administration's policy that such requirements distort our efforts to improve human rights, democracy, and recovery in El Salvador. The key certification provisions of the present bill are already addressed in this year's Continuing Resolution which requires a separate certification on progress in the area of land reform and withholds 30 percent of military assistance funds until the Government of El Salvador has completed the investigation and trial in the churchwomen's case. [28]

At the same time, the President wishes to emphasize that the Administration remains fully committed to the support of democracy, reform, and human rights in El Salvador. Those very concerns are a central component of our policy. They were clearly articulated by our Ambassador Tom Pickering as recently as last Friday. [29] The withholding of approval from H.R. 4042 in no way reflects a lessening of our interests in these critical areas. The President has also instructed the Department of State to continue to provide the Congress with periodic public reports—the next on January 16, 1984—on the political, economic, and military situation in El Salvador.

Working with the leadership of the Government of El Salvador, we will reconfirm our joint resolve to take whatever action is necessary to help the Government of El Salvador to end the reprehensible activities of the violent right as well as the violent left. The United States will also work to preserve and expand the progress that has been achieved in the area of land reform and to maintain the momentum toward holding open and democratic elections next year in accordance with the provision of the new constitution being prepared in El Salvador's Constituent Assembly.

There must exist a genuine awareness, both in the United States as well as in El Salvador, that our countries' strong and productive relationship can only be based on shared values in justice and democracy, and on concerted and sustained efforts to achieve these goals. We know that President Alvaro Magaña of El Salvador shares these views, and we will remain in touch on developing enhanced efforts that will strengthen human rights ties.

[28] See document 643.

[29] See *supra*.

Document 650

Transcript of an Interview With President Reagan, December 1, 1983 (Extracts) [30]

Grenada, El Salvador, and U.S. Policy in Central America

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Q. Mr. President, my name is Silvia Vilato from Our Lady of Lourdes Academy in Miami, Florida. First of all, I would like to commend you and your staff on the handling of the situation in Grenada. I feel that this event brought about a national spirit which was greatly needed in these times of crisis. And my question is: The Grenada affair saw the most direct confrontation with the Castro regime in recent years. Would you envision any further confrontation in the future or do you feel that Fidel Castro got the message? (Laughter)

THE PRESIDENT. Thank you, first of all, very much. I think, possibly, not only he, but a number of others got the message,

[30] Source: White House Press Release, December 1, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, December 5, 1983, pp. 1633–1638. The President was interviewed by high school students. Only those portions dealing with Central America and the Caribbean are printed. The interview, which began at 1:34 p.m. in the Old Executive Office Building, was videotaped for later broadcast on C-Span's "Close-Up" program.

all right, that the United States, we're not warlike, we want peace. But we know that we can't buy peace at any price. And when our national security is concerned, the world better know that we're going to do whatever's necessary for the safety and protection of our freedoms and the people of this country.

So, whether—we don't plan any confrontations. That will be up to them. And under the same circumstances and with the same request made by our neighbors that was made by six of the countries down there, I think we would probably react in the same way.

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Q. Mr. President, my name is Kirk Kiester. I attend Fort Lauderdale Christian School in Fort Lauderdale, Florida. This week you vetoed a bill passed by Congress which linked military aid in El Salvador with human rights.[31] Why did you veto this bill, and how can we justify supporting governments being left wing or right wing which violate human rights?

THE PRESIDENT. Well, we are not supporting left wing or right wing governments who violate human rights. The situation in El Salvador, and this was the reason for the veto, the situation is, for 400 years El Salvador has been dominated by dictators of one kind or another. It is from a heritage that goes back to the very beginning of their country.

Then, a few years ago, and for the first time, a government came into power in El Salvador—wasn't elected, overthrew one of those dictatorships. But it truly was aimed at being democratic. And the result was they had an election more than a year ago. And they elected a democratic form of government. Eighty-three percent of their people went to the polls to vote; the leftist guerrillas that are fighting the government had a slogan at the time of that election. They said to the people, "Vote today; and die tonight," meaning they would kill the people if they went to vote. And the people defied them. I've told, repeatedly, of a story of one woman that some of our Congressmen, who were there as observers, saw in the line waiting to vote who had been wounded by the guerrillas, shot with a rifle. And she refused to leave the line for medical attention until she could vote. Now that's the Government of El Salvador.

Now, yes, there are holdovers. There are people left who aren't part of those leftist guerrillas, but who want the form of dictatorship and the totalitarianism—the privileged class concept that they had before this democratic government. And they are the so-called "murder squads" and doing the things they're doing to violate human rights.

The democratic government, beset by thousands of guerrillas on the left, would have a lot better chance of getting—apprehending these death squads and handling the extreme rightists if they were not beset by the guerrillas. And the Congress, by holding down the help that we can give to this El Salvador government, is simply leaving them in a position of—well, they can keep on fighting; but they don't have the means to actually win yet. They're just dragging on. And, at the same time, they can't handle these two things at once.

But the other thing we noticed was that, if we have this thing of having to certify every few months to the Congress in order to get this aid, there are people, both on the left and right, who know that, if they step up the violation of human rights—the murders and so forth so that we can't certify, they—from whichever side—are helping to win their battle against the democratic government.

So I vetoed the bill. What I want is for Congress to give us the help that should be provided. And $3 out of every $4 that we're spending down there is being spent on social reforms and economic help, not on the military. Only a fourth of the help is helping them militarily, but we need to help them more. We're doing everything we can, not only to help that government deal with these right wing squads, but I'm going to voice a suspicion now that I've never said aloud before. I wonder if all of this is right wing, or if those guerrilla forces have not realized that by infiltrating into the city of San Salvador and places like that, that they can get away with these violent acts, helping to try and bring down the government, and the right wing will be blamed for it.

Now, I'm not absolving the right wing. We know there are right wing assassins

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[31] Regarding the President's veto of H.R. 4042, see *supra*.

and murder squads and so forth, but we are doing everything we can to control that. I didn't think this bill would help.

Q. Mr. President, my name is Robert Pupo, from Belen Jesuit Preparatory School in Miami, Florida. First of all, I would like to commend you for giving America a strong and efficient administration for almost 3 years now.

THE PRESIDENT. Thank you.

Q. My question is: If the situation in Central America worsens, would you consider sending American troops into this area?

THE PRESIDENT. Is it worsened by sending American troops into the area? Is that your question?

Q. If the situation in Central America worsens and becomes a threat to American security, will you consider sending troops—American troops—into Central America?

THE PRESIDENT. It would have to be very evident that it was a direct threat to the United States. The truth of the matter is, dating back to some days when the big colossus of the North, the United States, did lean on and practice what was called gunboat diplomacy. Our own friends and neighbors down there don't want us to send that kind of military help. They don't want our troops down there, and we respect them for that. President Magaña of El Salvador has said, "Yes, we need some help; we need weapons, ammunition; we need training." And we're providing that for them. But he said, "We will provide the manpower. We don't want yours." So, yours was a kind of a hypothetical question and mine is a hypothetical answer. It would have to be something that we saw as actually a threat to our security and our safety, and then we would be defending ourselves, not someone else.

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Q. Good afternoon, Mr. President. My name is Cadet Douglas from Valley Forge Military Academy in Wayne, Pennsylvania.

THE PRESIDENT. I visited there.

Q. In 1962 President Kennedy intervened in a Soviet action to attempt to stop the placement of Soviet medium-range ballistic missiles in Cuba. Recently, Soviet—MIG-23s have been placed in Cuba and Nicaragua. As I see it, there is no U.S. advance fighter aircraft stationed in the Caribbean Basin. Do you think that we should station possibly F-16s in Guantanamo Bay Naval Base or Howard Air Force Base in Panama to stop the threat of strike anywhere in the Caribbean Basin or possibly the southern United States or possibly the Panama Canal?

THE PRESIDENT. We're aware of those planes in those areas. And I call to your attention that we have carrier squadrons that are on duty in the Caribbean and over on the Pacific side off that side of Central America. We think that we have sufficient force and sufficient warning for our own bases that we can handle that.

When the Cuban missile crisis came along the situation was far different. And I don't mean to take anything away from President Kennedy, but at that time the United States had about an 8 to 1 nuclear superiority over the Soviet Union. So when we stood up and looked them in the eye, they blinked.

Yes. I am sorry, there are a lot of hands that I didn't get to.

Q. Excuse me, Mr. President. My name is John Lopez from Albuquerque, New Mexico. And on behalf of the Close-up Foundation, we would like to thank you for this great opportunity.

THE PRESIDENT. Well, that was a good easy question. (Applause) Thank you very much.

Document 651

Sections 108 and 109 of Public Law 98-215, Approved December 9, 1983 [32]

Congressional Views on U.S. Policy Toward Nicaragua

SEC. 108. During fiscal year 1984, not more than $24,000,000 of the funds avail-

[32] Source: 97 Stat. 1475. The title given this law was the Intelligence Authorization Act for Fiscal Year 1984.

able to the Central Intelligence Agency, the Department of Defense, or any other agency or entity of the United States involved in intelligence activities may be obligated or expended for the purpose or which would have the effect of supporting, directly or indirectly, military or paramilitary operations in Nicaragua by any nation, group, organization, movement, or individual.

SEC. 109. (a) The Congress finds that—

(1) the Government of National Reconstruction of Nicaragua has failed to keep solemn promises, made to the Organization of American States in July 1979, to establish full respect for human rights and political liberties, hold early elections, preserve a private sector, permit political pluralism, and pursue a foreign policy of nonaggression and nonintervention; [33]

(2) by providing military support (including arms, training, and logistical, command and control, and communications facilities) to groups seeking to overthrow the Government of El Salvador and other Central American governments, the Government of National Reconstruction of Nicaragua has violated article 18 of the Charter of the Organization of American States which declares that no state has the right to intervene, directly or indirectly, for any reason whatsoever, in the internal or external affairs of any other state;

(3) the Government of Nicaragua should be held accountable before the Organization of American States for activities violative of promises made to the Organization and for violations of the Charter of that Organization; and

(4) working through the Organization of American States is the proper and most effective means of dealing with threats to the peace of Central America, of providing for common action in the event of aggression, and of providing the mechanisms for peaceful resolution of disputes among the countries of Central America.

(b) The President should seek a prompt reconvening of the Seventeenth Meeting of Consultation of Ministers of Foreign Affairs of the Organization of American States for the purpose of reevaluating the compliance by the Government of National Reconstruction of Nicaragua—

(1) with the commitments made by the leaders of that Government in July 1979 to the Organization of American States; and

(2) with the Charter of the Organization of American States.

(c) The President should vigorously seek actions by the Organization of American States that would provide for a full range of effective measures by the member states to bring about compliance by the Government of National Reconstruction of Nicaragua with those obligations, including verifiable agreements to halt the transfer of military equipment and to cease furnishing of military support facilities to groups seeking the violent overthrow of governments of countries in Central America.

(d) The President should use all diplomatic means at his disposal to encourage the Organization of American States to seek resolution of the conflicts in Central America based on the provisions of the Final Act of the San Jose Conference of October 1982, [34] especially principles (d), (e), and (g), relating to nonintervention in the internal affairs of other countries, denying support for terrorist and subversive elements in other states, and international supervision of fully verifiable arrangements.

(e) The United States should support measures at the Organization of American States, as well as efforts of the Contadora Group, which seek to end support for terrorist, subversive, or other activities aimed at the violent overthrow of the governments of countries in Central America.

(f) Not later than March 15, 1984, the President shall report to the Congress on the results of his efforts pursuant to this Act to achieve peace in Central America. Such report may include such recommendations as the President may consider appropriate for further United States actions to achieve this objective.

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[33] The letter from the Junta of the Government of National Reconstruction to the OAS is quoted in full in document 7. See also *Report on the Situation of Human Rights in the Republic of Nicaragua*, pp. 4–5.

[34] For text, see *American Foreign Policy: Current Documents, 1982*, p. 1470.

Document 652

Remarks by Vice President Bush, San Salvador, December 11, 1983 [35]

"I Owe It to You As a Friend To Speak Frankly"

Mr. President, I have been most impressed by your warm hospitality. You have welcomed me as a friend. I hope you will permit me, in that same spirit of friendship, to use this occasion to convey to you and your fellow countrymen some thoughts from my own perspective—and that of President Reagan.

The American people have developed a great admiration for the people of El Salvador. You are on the front lines fighting for liberty against Communist aggression. The extraordinary 80 percent voter turnout in the Constituent Assembly elections of 1982 demonstrated your people's deep faith in democracy even under the most difficult of circumstances.

Mr. President, I know that you share that faith. I know that you and many other Salvadorans are personally committed to democracy, reform and human rights. But in your struggle to bring peace and justice to your people, you have more than one enemy. The brave Salvadoran patriots who are now fighting to build their new democracy are under attack not only from Communist guerrillas supported from abroad, but also from extremist right-wing terrorists, the death squads, that small group of people within your own society who operate outside the law.

A guerrilla war is a long, arduous effort, fought on many fronts: military, economic, social and political. But the crucial battle is not for territory; it is for men's minds. The guerrillas never lose sight of that objective. They know the government is responsible for protecting the people. So their goal is to cripple the government, distort its priorities and sow doubt about its legitimacy.

For a government to survive a guerrilla challenge, it must continue to protect its citizens even as it fights to defend itself from those who play by other rules—or no rules at all. As it does so, it must continue to respect the rule of law and the rights of the individual. And it must honor basic human decencies. If it does not, it will lose that crucial battle for the support and approval of the people.

Mr. President, you and many other Salvadorans have demonstrated extraordinary personal courage in the struggle against tyranny and extremism. But your cause is being undermined by the murderous violence of reactionary minorities.

Tom Pickering's remarks—which I greatly admire and which the President and I both fully endorse—were right on the mark. These right-wing fanatics are the best friends the Soviets, the Cubans, the Sandinista *comandantes* and the Salvadoran guerrillas have. Every murderous act they commit poisons the well of friendship between our two countries and advances the cause of those who would impose an alien dictatorship on the people of El Salvador. These cowardly death squad terrorists are just as repugnant to me, to President Reagan, to the United States Congress and to the American people as the terrorists of the left.

Mr. President, I know that these words are not those of the usual dinner toast. My intention is not to abuse your hospitality nor to offend you and your other guests. I speak as a friend, one who is committed to your success—the success of democracy in El Salvador. And I owe it to you as a friend to speak frankly.

We in the United States have never asked that others be exactly like us. We're a nation that is constantly debating its own shortcomings. But on certain fundamental principles all Americans are united.

I ask you as a friend not to make the mistake of thinking that there is any division in my country on this question. It is not just the President, it is not just me or the Congress. If these death squad murders continue, you will lose the support of the American people, and that would indeed be a tragedy.

Mr. President, your brave people and mine have so much in common. Your land reform has our full support, and your

[35] Source: Press Release, December 11, 1983, Office of the Press Secretary to the Vice President. The remarks were a toast offered at a dinner hosted by Salvadoran President Magaña. Bush visited El Salvador on the way back from attending the inauguration of Raúl Alfonsín as President of Argentina on December 10, 1983.

staunch resistance to communism has earned our great respect. Now is the time to move vigorously to consolidate the democratic gains you have made and to establish fully functioning democratic institutions in El Salvador.

The people of El Salvador have shown the world their courage and commitment to democracy by turning out to vote in overwhelming numbers despite Communist death threats, and they have done honor to the democratic tradition through their dynamic political debate and action in the Constituent Assembly. The Presidential elections the Assembly has scheduled for March 25 will strengthen your society and confirm the bonds between our two peoples.

Mr. President, I offer a toast to the Salvadoran people: May they soon come to enjoy the long deferred peace and prosperity they deserve.

Document 653

Transcript of an Interview With President Reagan, December 19, 1983 (Extract) [36]

"Our Policy in Central America Is Regional"

. . . . . .

Q. Fifth: What strategy does the administration intend to pursue in Central America? Is it to underwrite the Government of El Salvador indefinitely? And in Nicaragua, is it to settle for nothing less than the overthrow of the Sandinistas?

THE PRESIDENT. Our policy in Central America is regional. This is very much what the Contadora process is. We're supporting the efforts of the Contadora group—Mexico, Venezuela, Panama, and Colombia to assure that democratic elections are used to settle the internal political conflicts and that verified agreements assure peace among the countries.

Now as for the El Salvador Government: There has been important progress in recent years achieving democratic ideals, practices, and policy. They're beset by Cuban and Soviet-backed insurgents who don't want that kind of government. They want the old-fashioned idea that we've seen for the last few hundred years—the idea that if you have a revolution, it is only to exchange one set of rules for another set of rules. For once, we've got a government there that says: "No. This is to be revolution to change that process."

At the same time that the Government in El Salvador is fighting against this potent enemy on the left, they're being harassed from behind by small violent right-wing groups who want to go back to the old concept of government over the people, not by the people. So we shouldn't be blaming the present Government of El Salvador for not being able to deal effectively with these rightists when it is beset by this other force on the left.

I think that the thing that is dragging this out are the limitations placed on our aid by the Congress. It's almost as if they're saying, "Well, we'll give you just enough to let them bleed to death slowly." What we really need—and remember that three-fourths of our aid is for economic and social reforms and the other 25 cents out of each dollar is for military aid—is the kind of aid that will let them accomplish the job and eliminate this left-wing guerrilla force that is doing the attacking.

At the same time, wherever we can, we should help them find out these behind-the-scenes moves by the violent right that we will not accept. And where the government needs help in dealing with this, we should help. That was one of the missions that Vice President Bush performed when he was in El Salvador recently. [37] I think some progress has been made in that regard. But we shouldn't let the violent right keep us from doing what is necessary to end the war that's going on.

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[36] White House Press Release, December 19, 1983, Office of the Press Secretary to the President, also printed in *Weekly Compilation of Presidential Documents*, December 26, 1983, pp. 1716–1717. The interview was conducted in the Oval Office by Marvin Stone and Joseph Fromm of *U.S. News & World Report*. Only the portion of the interview dealing with Central America is printed.

[37] See *supra*.

Q. And Nicaragua—is overthrow of the Sandinistas the U.S. policy?

THE PRESIDENT. No. We are not demanding the overthrow of that government. All they have to do is go back to the 1979 democratic commitments they made to the OAS as part of the political agreement leading to the end of the Somoza regime. Remember, the United States gave them immediate diplomatic recognition and significant financial aid until we found out that one faction of the revolutionaries was exiling or imprisoning their more democratic partners in the revolution, who discovered the Sandinistas intended to have a totalitarian form of government.

Now, the Sandinistas' promises of human rights, of democratic principles, of free elections, union rights, and so forth—all of those promises were made in writing to the Organization of American States when they persuaded the OAS, during the revolution, to persuade Somoza to resign, which he did. They have not kept that contract.

Some of the leaders of the "contras" were fighting alongside of them in the revolution and then were ousted, just as Castro ousted the same kind of people and imprisoned some of his best lieutenants because they wouldn't go along with him to a Communist, totalitarian form of government.

Nicaragua could solve its problem right now. If this Nicaraguan Government wants to go back to the promises of the revolution, we'll step in and help.

. . . . . .

C. Grenada

Document 654

Transcript of a White House Press Briefing, March 24, 1983 (Extract) [1]

The Grenadian Runway, an Illegitimate Soviet Military Interest

. . . . . .

Q. I wanted to change the subject briefly. The President mentioned last night [2] that 10,000 foot long runway in Grenada—two questions. First, what do we think is the purpose of this and secondly, what Soviet aircraft require a runway 2 miles long?

SENIOR ADMINISTRATION OFFICIAL. An illustration of the potential purpose was given by one of the Grenadian officials, I think a year ago. He said, Esprechio (phonetic) [*Selwyn Strachan?*] was his name, that—one way could serve strategic purposes for the Soviet Union.[3] And of course indirectly or directly—indirectly through Cuba or directly Soviet support made this airfield possible.

What aircraft would require such a runway? . . .

SENIOR ADMINISTRATION OFFICIAL. The majority of modern military aircraft require a runway longer than 8,000 feet.

Q. Aeroflot? (Laughter)

SENIOR ADMINISTRATION OFFICIAL. No—

Q. No, I mean, I'm talking about—not the MIG-23s that are in Cuba, or MIG-25s but does the—I mean does the Backfire Bomber require that or do the fighter planes need a—can they use a smaller runway than that—

SENIOR ADMINISTRATION OFFICIAL. The fact of the matter is, . . . I think this answers your question is that a 10,000 foot runway is not needed for commercial applications. It is required for military aircraft—either fighters or bombers. I don't think the Backfire Bomber actually takes as much runway as a fighter does.

SENIOR ADMINISTRATION OFFICIAL. — good question.

Q. What is the difference in the President showing pictures of Grenada and Cuba? I don't mean this in an offensive way, but what's the difference in the Soviet Union saying, "Well, here's Diego Garcia and here's the Gulf of Oman, here's Oman, here's where we're building this runway and here's for our Rapid Deployment Force." I mean it seems that there's a symmetry here of perspectives.

SENIOR ADMINISTRATION OFFICIAL. No, the difference is in the trend, the historic trend. In Southwest Asia, in the Gulf, there was the British base of Aden, now South Yemen, and the British have always been in Diego Garcia, directly or indirectly. There were U.S. bases and Whelis (phonetic) [*Wheelus*] Air Force in Libya. So, we had a military presence to—commensurate with our interests and commitments in the area.

The Soviets have not, in the past, had such a military presence in the Caribbean and in Central America. It is that shift that is of concern to us.

Q. But isn't it consistent with theirs—just as it is with ours?

SENIOR ADMINISTRATION OFFICIAL. No, it is not consistent. They are not importing the energy from the Caribbean area as we are from the Gulf. They don't have, therefore, this kind of legitimate interest that we have.

. . . . . .

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[1] Source: White House Press Release, March 24, 1983, Office of the Press Secretary to the President. The briefing was conducted on background by senior administration officials in the Roosevelt Room of the White House beginning at 2:08 p.m.

[2] See document 13.

[3] The reference is to a speech by Selwyn Strachan, Grenadian Minister of National Mobilization; regarding this speech, see document 601.

CARIBBEAN BASIN
and Grenada
International boundary
Shipping lanes
0 500
statute miles
New Orleans
United States
Gulf of Mexico
New Orleans-English Channel
Florida Straits
The Bahamas
Yucatan Channel
New Orleans-Colon
New York-Colon
Cuba
New York
Maracaibo
to Europe
Colon-Gibraltar
Windward Passage
Haiti
Dominican Rep.
Jamaica
Mona Passage
Anegada Passage
Caribbean Sea
St. Christopher and Nevis
Antigua and Barbuda
Dominica
St. Lucia
St. Vincent Passage
St. Vincent and the Grenadines
Grenada
Barbados
Mexico
Belize
Guatemala
Honduras
El Salvador
Nicaragua
San Francisco-Panama
Yokohama, Japan-Panama
Costa Rica
Panama Canal
Colon
Panama
Maracaibo
Trinidad and Tobago
to and from South America, Southern Africa, the Indian Ocean, Persian Gulf, etc.
Venezuela
Guyana
Suriname
Colombia
Brazil
to South America
Ecuador
Names and boundary representation are not necessarily authoritative.
Only independent countries are named.
0 4
statute miles
Caribbean Sea
Sauteurs
Grenville
Grenada
Saint Georges
Carriacou
ATLANTIC OCEAN
Pt. Salines International Airport
5700 7 84 STATE(GE)

Document 655

Transcript of the Department of State Daily Press Briefing, October 20, 1983 (Extracts) [4]

U.S. Government Monitoring of Outbreak of Violence in Grenada

. . . . . .

Q. What can you tell us about the situation in Grenada?

A. The situation in Grenada?

Q. Is it Grenada or Grenada?

A. Grenada is the way I was asked. Based upon news reports from the area and principally the official broadcasts of Radio Free Grenada, we are assuming that Grenadian Prime Minister Maurice Bishop was killed in the violence which erupted yesterday.[5] Diplomatic relations, as you know, with Grenada are conducted from our Embassy in Bridgetown, Barbados; and that presents, even under the best of circumstances, communications problems, but especially under these circumstances. The telephone communication has frequently been disrupted, and a number of regularly scheduled air flights to Grenada have been turned back.

The Radio Free Grenada's announcement of Prime Minister Bishop's death also announced a 24-hour curfew, which is in effect through 6 a.m. on Monday[6] and also announced was the warning that anybody out of their houses will be shot on sight. This obviously raises our concern about American nationals in Grenada.

The most recent Radio Free Grenada announcements have been made in the name of the armed forces, but apart from accepting the assertion that the military is currently ruling the country through a revolutionary council, we are in no position to make any comment on the current state of affairs or the likely outcome.

We are continuing to monitor developments there. The number of U.S. citizens in Grenada is somewhere between 800 and 1,000. Prior to the recent outbreak of violence, we had communicated our concerns about U.S. citizen welfare to Grenadian authorities, and as I say, we are obviously monitoring events with particular care in this regard.

I think that's really about all I have for you.

Q. Do you think that the U.S. policy which isolated the Bishop government economically and politically, or tried to do so, had anything to do with leading to his overthrow?

A. No, I don't think U.S. policy had anything to do with recent developments.

Q. John, in a more general way, how would this administration view political murder as a route to power in the Caribbean, especially by pro-Cuban forces?

A. I think we have to be careful here, Bill. We have to know what we're dealing with—it's basically radio reports from a regime that has announced it has taken over; and I think we need to have some first-hand reports of what has happened ourselves before we start making either judgments or analyses.

Q. How do we get those first-hand reports?

A. I think we'll leave it that we are trying to get better information than we presently have.

Q. John, have you talked to the missions they have here? They have an OAS mission.

A. I don't know. There is, obviously, a lot going on in connection with Grenada today on our part. There were meetings in the Department last night; there are meetings during the day. I don't know what kind of contact—

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[4] Source: Office of Press Relations, Department of State. John Hughes, Department of State Spokesman, conducted the briefing, which began at 12:21 p.m.

[5] Bishop was placed under house arrest as a result of a coup d'état on October 13; he was freed on October 19 amidst a demonstration by thousands of supporters, and was subsequently fatally shot. The following day the Revolutionary Military Council under Army Chief General Hudson Austin announced it had assumed control.

[6] October 24, 1983.

Q. Did the Secretary participate in those meetings?

A. Yes.

Q. Is that to understand that the Bishop killing, you can confirm that or are you just quoting the radio?

A. We're quoting the radio, and so far as we know, what the radio is saying seems to be the case.

Q. Have you tried to establish diplomatic contact with the Government of Grenada—diplomatic contact?

A. I think we're just going to leave it where we are, and give you the indication of the problems we have with communications, but not get into the diplomatic back and forth that is going on.

Q. Can you say at this time whether we have received any assurances from the current authorities in Grenada about the safety of American nationals?

A. Not in the present confused situation. We have not received assurances, to my knowledge.

Q. Have we asked for them?

A. We are certainly seeking assurances about the safety of U.S. citizens.

Q. You said that prior to the outbreak of violence, there had been a communication from the U.S. Government to the Grenadian authorities about the welfare of Americans. Can you say when that was?

A. I can't say. I think that was fairly recent. Obviously, this has been developing within the past few days. I can't say when that came—

Q. Would you say within the past several days or some weeks ago?

A. No, I think it's within the past several days.

Q. What was it that brought that concern here?

A. Well, there has been some turbulence there for the past several days.

Q. The British Government has official representation there.[7] Can anything be learned from that?

A. I am sure that many channels of communication are being worked by us.

Q. Is the military government that has apparently taken over a more hard-line Marxist government than Bishop?

A. We'll have to wait and see. As I say, it's premature for that kind of analysis.

Q. Did we make a mistake, though, in retrospect in not being more open to Bishop when he was here before the OAS, and wanted to meet and wanted to talk?[8] Was that now a mistake, in retrospect?

A. You mean, we were too open?

Q. He wanted to meet with the President and he wanted to discuss relations between the two countries, and we put him off at the time.

A. I'm not sure that statement is correct. I'd like to go back over the sequence of events; but as I recall the situation, I think we set up a meeting, and the Prime Minister did not appear for that—

Q. The President wouldn't meet with him.

A. The President—I don't think there was any suggestion the President would meet with him.

There was a meeting with Middendorf, and I'm not sure Judge Clark—Let me go back over the sequence, but certainly, there was a lot of activity on our side in order to bring about contact and dialogue there. There was no—

Q. President Reagan turned down a meeting with him?

A. There was never any suggestion that the President would meet with Mr. Bishop. There was never any suggestion on our side.

Q. Yes, but wasn't it the case that Bishop himself requested a meeting with the President, and that that was turned down?

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[7] Reference is to Grenadian Governor-General Paul Scoon.

[8] Bishop made an unofficial visit to the United States from May 31 to June 9, 1983.

A. He may have done.

Q. Then, just for the record, did he meet with Judge Clark and Under Secretary Dam?

A. My own memory plagues me I'd like to be sure whom he asked to see, and who he did see and did not see. But, certainly, there was not a reluctance on our part to have him see officials in the administration.

Q. Are you taking that question, John?

A. Yes, I will take it.

Q. Also, the Barbadian Prime Minister, Tom Adams, today said that they had fears since last week that Bishop's life could have been in danger. Did you receive any of those reports, and are you in touch with the Barbadian Government over this?

A. I don't know whether we're in—as I say, we're working many channels on this, Jim; but I'm also not aware of any reports earlier.

Q. John, in connection with President Reagan's expressed concern about the 10,000 foot runway in Grenada, is the United States any more or less concerned now about the presence of that runway or the use to which it might be put?

A. Why don't we wait and see what kind of regime emerges?

. . . . . .

[MR. HUGHES.] . . . I can clear up the question of Mr. Bishop's earlier meeting. He did meet with Acting Secretary Dam, which we said at the time, and he did meet with the National Security Adviser Judge Clark.*

Q. Do you have a date on that, perhaps?

A. The date of the guidance was June 8. The meeting was requested by Prime Minister Bishop, with a duration of about an hour. The guidance does not say—

MR. ROMBERG. It was the day before.

A. The day before, is it? O.K., then it would be June 8th.

Q. June 7th?

A. June 7th. June 8th was the guidance, and June 7th apparently would be the meeting.

Q. Could I just follow with one other question on—

A. Yes, O.K. He's talking about yesterday, so it would be June 7th.

Q. There's a regional—

A. So I think that responds to your question about any reluctance on the part of the United States to meet with him.

Q. The United States helped establish a regional kind of defense grouping of the eastern Caribbean states, the smaller ones, headquartered in Bridgetown, in Barbados. There were reports yesterday that they were meeting. Now, has the United States been in consultation in the last 24–48 hours, say, with respect to any role it might play insofar as the regional defense group is concerned?

A. I don't know. I can't answer that, Jim. I honestly don't know.

. . . . . .

Q. John, have we alerted any naval vessels in the vicinity of Grenada to be prepared possibly to evacuate, anything of that nature?

A. Not to my knowledge, but why don't you talk to the Pentagon about our capability in that area?

Q. Can you give us a precise number, John, of how many Americans there are in Grenada?

A. The figures are a little vague, between 800 and 1,000.

Q. Most of them—

A. About 500 of those, I understand, are at the medical school. I think at St.

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* Regarding this meeting, see Dam's testimony in *U.S. Military Actions in Grenada: Implications for U.S. Policy in the Eastern Caribbean: Hearings Before the Subcommittees on International Security and Scientific Affairs and on Western Hemisphere Affairs of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1984), pp. 23, 28–29.

George's, yes. Five hundred students and faculty, I think.

. . . . . .

Document 656

Letter From the Chairman of the Organization of Eastern Caribbean States (Charles) to the Ambassador in the Eastern Caribbean (Bish), Castries, St. Lucia, October 23, 1983 [10]

Organization of Eastern Caribbean States Request For U.S. Assistance in Grenada

YOUR EXCELLENCY: The Chairman of the Organisation of Eastern Caribbean States presents her compliments to His Excellency the Ambassador of the United States to the Eastern Caribbean and has the honour to transmit herewith a request for assistance under Article 8 [11] of the Treaty establishing the Organisation of Eastern Caribbean States. [12]

The Chairman of the Organisation of Eastern Caribbean States avails herself of this opportunity to renew the assurances of her highest consideration.

Sincerely

EUGENIA CHARLES

[ATTACHMENT]

TEXT OF OECS REQUEST FOR ASSISTANCE

The authority of the Organisation of Eastern Caribbean States (OECS) met at Bridgetown, Barbados on Friday 21st October 1983, to consider and evaluate the situation in Grenada arising out of the overthrow of the Government led by Prime Minister Maurice Bishop and the subsequent killing of the Prime Minister together with some of his colleagues and a number of other citizens. [13]

The authority is aware that the overthrow of the Bishop administration took place with the knowledge and connivance of forces unfriendly to the OECS, leading to the establishment of the present military regime.

The meeting took note of the current anarchic conditions, the serious violations of human rights and bloodshed that have occurred and the consequent unprecedented threat to the peace and security of the region created by the vacuum of authority in Grenada.

The authority was deeply concerned that military forces and supplies are likely to be shortly introduced to consolidate the position of the regime and that the country can be used as a staging post for acts of aggression against its members.

The authority further noted that the capability of the Grenada armed forces is already at a level of sophistication and size far beyond the internal needs of that country. Furthermore the member states of the OECS have no means of defence against such forces.

The member governments of the organisation hold the strong view that such a situation would further undermine political, social and economic stability and would have extremely dangerous consequences for the preservation of peace and security in the OECS sub-region as a whole.

The authority noted that the present regime in Grenada has demonstrated by its brutality and ruthlessness that it will stop at nothing to achieve its ends and to secure its power.

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[10] Source: *Grenada: A Preliminary Report*, released by the Department of State and the Department of Defense, December 16, 1983, Washington, p. 4. The source of the attachment is the Department of State files. Milan D. Bish was U.S. Ambassador to Antigua and Barbuda, Barbados, Dominica, St. Lucia, St. Vincent, and the Grenadines.

[11] Reference is to the Treaty Establishing the Organization of Eastern Caribbean States, done at Basseterre, St. Kitts/Nevis, June 18, 1981. Article 8 is entitled "Composition and Functions of the Defence and Security Committee." (American Society of International Law, *Legal Materials*, September 1981, p. 1166)

[12] The Organization of Eastern Caribbean States is comprised of the following nations: Antigua, Dominica, Grenada, Montserrat, St. Christopher-Nevis, Saint Lucia, and Saint Vincent and the Grenadines.

[13] Prime Minister Bishop, and several Cabinet ministers and union leaders were executed on October 19, 1983.

Under the authority of Article 8 of the Treaty establishing the Organisation of Eastern Caribbean States, the authority proposes therefore to take action for collective defence and the preservation of peace and security against external aggression by requesting assistance from friendly countries [14] to provide transport, logistics support and additional military personnel to assist the efforts of the OECS to stabilize this most grave situation within the Eastern Caribbean.

The authority of the OECS wishes to establish a peace keeping force with the assistance of friendly neighbouring states to restore on Grenada conditions of tranquility and order so as to prevent further loss of life and abuses of human rights pending the restoration of constitutional government.

. . . . . .

Document 657

Statements and Remarks by President Reagan and Dominican Prime Minister Charles, October 25, 1983 [15]

Announcement of the Sending of U.S. Troops Into Grenada

THE PRESIDENT. Ladies and gentlemen, on Sunday, October 23d, the United States received an urgent, formal request from the five member nations of the Organization of Eastern Caribbean States to assist in a joint effort to restore order and democracy on the island of Grenada. [16] We acceded to the request to become part of a multinational effort with contingents from Antigua, Barbados, Dominica, Jamaica, St. Lucia, St. Vincent and the United States. I might add that two of those, Barbados and Jamaica, are not members of the organization but were first approached, as we later were, by the OECS and asked to join in that undertaking. And then all of them joined unanimously in asking us to participate.

Early this morning, forces from six Caribbean democracies and the United States began a landing or landings on the island of Grenada in the eastern Caribbean.

We have taken this decisive action for three reasons. First, and of overriding importance, to protect innocent lives, including up to 1,000 Americans whose personal safety is, of course, my paramount concern. Second, to forestall further chaos. And third, to assist in the restoration of conditions of law and order and of governmental institutions to the island of Grenada, where a brutal group of leftist thugs violently seized power, killing the Prime Minister, three Cabinet members, two labor leaders and other civilians, including children.

Let there be no misunderstanding, this collective action has been forced on us by events that have no precedent in the eastern Caribbean and no place in any civilized society.

American lives are at stake. We've been following the situation as closely as possible. Between 800 and 1,000 Americans, including many medical students [17] and senior citizens, make up the largest single group of foreign residents in Grenada.

From the start we have consciously sought to calm fears. We were determined not to make an already bad situation worse and increase the risks our citizens faced. But when I received reports that a large number of our citizens were seeking to escape the island, thereby exposing themselves to great danger, [18] and after receiving a formal request for help, a unanimous request from our neighboring

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[14] Non-OECS members providing assistance include the United States, Barbados, and Jamaica.

[15] Source: White House Press Release, October 25, 1983. Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, October 31, 1983, pp. 1487–1489. The press conference, held in the White House Briefing Room, was broadcast live on nationwide radio and television at 9:07 a.m.

[16] *Supra.*

[17] Reference is to U.S. citizens attending St. George's School of Medicine in Grenada.

[18] In the October 25, 1983, Department of State Daily Press Briefing, Spokesman John Hughes said that U.S. consular officials sent to Grenada estimated "that of those (medical students) they talked to, about 100 requested evacuation or said they would like to leave the island but were unable to." (Office of Press Relations, Department of State)

states, I concluded the United States had no choice but to act strongly and decisively.

Let me repeat, the United States objectives are clear, to protect our own citizens, to facilitate the evacuation of those who want to leave and to help in the restoration of democratic institutions in Grenada.

I understand that several Caribbean states are asking that the Organization of American States consider the situation in Grenada.

Our diplomatic efforts will be in close cooperation with the Organization of Eastern Caribbean States and the other countries participating in this multinational effort.

And now I'm very proud to present to you the Chairman of the Organization of Eastern Caribbean States and the Prime Minister of Dominica, Prime Minister Charles.

PRIME MINISTER CHARLES. I think we were all very horrified at the events which took place recently in Grenada.

We, as part of the Organization of Eastern Caribbean States, realizing that we are, of course, one region, we belong to each, are kith and kin. We all have members of our state living in Grenada. We're very concerned that this event should take place again.

It is true that we have managed to live with the regime since March '79.[19] And we felt quite clearly and we had good reason to believe that the Bishop regime was seeing it our way and was on the way to have elections. And we think this is the reason why [he] himself and his Cabinet were destroyed. Because he realized that the pressure we put on him to have elections was worthwhile, was right. And he began to see that the democratic institutions must be put in place in any of these small countries.

It is even more important in a small island state, poor island state, to have the democratic institutions. And this we've had for a long time and we've continued it and we wish to continue it. Grenada was an aberration in this respect.

But that these men, who had for all these years accepted the Bishop regime should then on—for their own reasons, and I think the power-hungry reasons—decide to destroy the persons whom they had accepted as their leaders for so long, made us realize that this sort of assassination must not be allowed to continue in our country. It means that our people there are not safe. It means that Grenadians had never been given the chance to choose for themselves the country that they want. And, therefore, it is necessary for us to see to it that they have the opportunity to do so.

To do this, we have to isolate the persons who have committed the acts that they did last week, in killing off most of the Cabinet. And we have to insure that, in fact, an interim government of persons of—not political greed, but persons who are good administrators and who are Grenadians who can run the country for a few months for the pure purpose of putting the country back on the democratic status, so that elections can take place as soon as possible. This is what you want to do so that Grenadians can choose for themselves the government they want and not have, every few years, have governments imposed on them by persons who will otherwise—

Q. —are all the Americans safe?

Q. Did you have information that the Soviets and the Cubans were behind this takeover of Grenada? Did the Joint Chiefs tell you that yesterday afternoon?

PRIME MINISTER CHARLES. Want me to answer this? Yes, we do have this information. I can't give you all the details because of the safety of people concerned. But we noted with great—in the two weeks before the assassination took place the movements between the Soviet Embassies and known activists and the activists' return to Grenada, obviously a conduit between some of these Russians and some of these—

Q. Mr. President, can you tell us are all the Americans safe, sir? Can you tell us that? And how long will the American forces be on the ground there? What is their role?

[19] On March 13, 1979, the New JEWEL Movement led by Bishop overthrew the government of Prime Minister Eric Gairy. The new regime was recognized by the United States on March 22, 1979.

THE PRESIDENT. I could—well, we don't know how long that will be. We want to be out as quickly as possible, because this—our purpose in being there is only for them to enable—to take over their own affairs. As far as we know, the citizens are safe. We have been monitoring that very closely. And one of our prime objectives in the actual invasion that was almost instantly done was the securing of that St. George's Medical College where several hundred of the students were.

Q. The military situation, sir?

Q. Mr. President, as late as yesterday, your own spokesman said that Americans on Grenada were in no danger.[20] Did you have information that things had changed?

THE PRESIDENT. They were in no danger in the sense of that, right now, anything was being done to them. But we know that there was concern on the part of those, because already we'd been informed of several hundred who wanted to leave. But the airports were closed. There was no way of leaving. This was a case of not waiting until something actually happened to them. But we did manage to get some intelligence out of the island, intelligence information on this. And the tenuous situation was, as I said, the only authority that you could say of a governmental nature on that island was a 24-hour curfew with orders to "shoot on sight" anyone found moving in those 24 hours.

Q. What is the military situation now, sir, in Grenada? Can you tell us?

THE PRESIDENT. I can only tell you that we've secured both the airports. And the landings have been completed. But we are yielding to the influence of General Vessey in that we don't think in these early hours of that landing that we should be on the horn asking the Commanders to stop and give us detailed reports.

Q. Mr. President, do you think that the United States has the right to invade another country to change its government?

PRIME MINISTER CHARLES. But I don't think it's an invasion if I may answer that question.

Q. What is it?

PRIME MINISTER CHARLES. This is a question of our asking for support. We are one region. Grenada is part and parcel of us—an organization.

Q. But you're sovereign nations, are you not?

PRIME MINISTER CHARLES. And we don't have the capacity, ourselves, to see to it that Grenadians get the freedom that they're required to have to choose their own government.

Q. With what's happening in Lebanon, are we spread too thin, Mr. President?

THE PRESIDENT. Wait one second here. No; we're not spread too thin. And let me augment what the Prime Minister just said. Once these nations which were once British colonies were freed, they—themselves—had a treaty.[21] And their treaty was one of mutual support. And Grenada is one of the countries, signatories to that treaty—and observe that treaty at one time when they had a democratic government and a constitution—a constitutional government, the constitution that was left to them by the British. So this action that is being taken is being taken under the umbrella of an existing treaty.

Q. Mr. Reagan, there are reports that a helicopter has been shot down, that a U.S. helicopter has been shot down on Grenada. Do you have any information of any U.S. casualties on the island, sir?

MR. SPEAKES. This is the last question. And we'll cut off after this last question.

Q. Do we have any information of any U.S. casualties on the island, sir?

THE PRESIDENT. No. I have been in meetings. And we both have been busy since we arrived here. And I've only had the first report of our landings and so forth. So I don't know whether that's true or not.

THE PRESS. Thank you, sir.

THE PRESIDENT. What? It has—

Q. What reports have you received, sir—

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[20] Reference is probably to the October 24, 1983, White House Press Briefing by Deputy Press Secretary to the President Larry Speakes beginning at 12:16 p.m. (Office of the Press Secretary to the President)

[21] Reference is to the Treaty Establishing the Organization of Eastern Caribbean States, June 18, 1981.

MR. SPEAKES. No, sir.

Q. —on the success of our operation—of the U.S. Caribbean operation?

THE PRESIDENT. What's that?

Q. What reports have you received of the success of the operation?

THE PRESIDENT. Of the initial operation, of landings, securing the immediate targets, taking control of the airports: completely successful.

Now, the Prime Minister and I are going to depart, but I know there are going to be a lot more technical questions of that kind and Ambassador Motley is here, and I'm going to put him before you to ask all of the technical questions you may have.

Q. What's the situation in Lebanon now?

MR. SPEAKES. I'm sorry. That's the last question.

Q. Could you answer the question, are the Soviets behind this? Were the Soviets behind the Grenada takeover?

MR. SPEAKES. I'm sorry. The President said that's the last question.

THE PRESS. Thank you.

Document 658

Transcript of a Press Conference by the Secretary of State (Shultz), October 25, 1983 [22]

Events Leading to Presidential Decision To Commit U.S. Forces in Grenada

SECRETARY SHULTZ. Good afternoon.

I'd like, first, to cover four points:

—First, the reasons for the President's decision to commit U.S. forces in Grenada;

—Second, our objectives as we undertake this effort;

—Third, the chain of events as they led up to the President's decision in the immediate days preceding it;

—And, fourth, the situation on the ground, very generally, as it was as of about half an hour ago.

There are two basic reasons that determined the President's decision.

First was his concern for the welfare of American citizens living on Grenada. There are roughly a thousand of them. And what we saw was an atmosphere of violent uncertainty: of the Prime Minister of the country first put under house arrest, freed from house arrest by a large number of demonstrators estimated in the thousands, with that demonstration in one way or another becoming attacked, and with the Prime Minister and some of his cabinet members being executed.

We see no responsible government in the country. We see arrests of leading figures. We see a shoot-on-sight curfew in effect.

Reports—their validity uncertain—but reports are rife about arrests, deaths, and so forth, and certainly random sporadic firing that one could hear.

All of these things are part of an atmosphere of violent uncertainty that certainly caused anxiety among U.S. citizens and caused the President to be very concerned about their safety and welfare. He felt that it is better under the circumstances to act before they might be hurt or be hostage than to take any chance, given the great uncertainty clearly present in the situation.

So that is the first reason why the President acted as he did.

Second, the President received an urgent request from the countries closest to the area, the Organization of Eastern Caribbean States, who of course followed these developments very closely over a long period of time, and intensively in recent days, and who determined for themselves that there were developments of grave concern to their safety and peace taking place. They brought in Jamaica and

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[22] Source: Department of State Press Release 377, October 25, 1983; also printed in Department of State *Bulletin*, December 1983, pp. 69–72. The press conference was held at 3 p.m.

Barbados, and along with those two countries, made a request to the United States to help them in their desire to insure peace and stability in their area. So their analysis of the situation, in terms of the atmosphere of violent uncertainty, paralleled our own.

And so in response to the request of this Organization and in line with a request that they made pursuant to Article VIII of their treaty, [23] bringing them—the states—together, the President decided to respond to their request and to look after the welfare of American citizens in this atmosphere of uncertainty and violence.

Second, insofar as our objectives are concerned, there are basically two, and very simple:

—First of all, to secure the safety of American citizens—and, for that matter, the citizens of other countries—and to assure that any who wish to leave may do so;

—And, second, to help the OECS States establish law and order in the country and establish again governmental institutions responsive to the will of the people of Grenada.

Now third, let me just review very briefly the chain of events here.

I think you undoubtedly know that on October 13, Prime Minister Bishop was placed under house arrest and subsequently on October 19 the demonstration and the freeing of him from house arrest took place, and then his death—our information is by execution—taking place on that date.

On Thursday, October 20, as information about these developments was coming in to us here in the United States, of course the President was receiving them, and he had the Vice President chair a meeting in the Situation Room reviewing these events. That meeting took place in the late afternoon. I was not present at the beginning of the meeting since I was testifying before a Senate committee in closed-door session, but I came in with Ambassador Motley about halfway through the meeting; and essentially it was a meeting to review the grave turn of events and to consider their implications for the American citizens on the island.

Subsequent to that meeting and on the recommendation of that group, the President decided to divert some naval ships in the area, among them the task force that was carrying the group that would be the normal routine replacement of the Marines who are in Lebanon, and diverted them in the direction of Grenada. Other ships were also included. That was essentially precautionary so that if the situation became worse, we would have a capability nearby.

There were various discussions during the course of Friday, but on Saturday, October 22, a message came in from Bridgetown in Barbados. It reached me at 2:45 a.m. in Augusta, and I discussed it with Bud McFarlane. About a half or three-quarters of an hour later, the Vice President convening the key National Security advisers, in Washington, in their discussion, we joined with him through a secure conference call to again evaluate the situation and the information in the cable.

The information in the cable basically gave the OECS states' analysis of the situation, and stated their very strong feeling that they must do something about it on Grenada and their feeling that they were not able to do it on their own, and so they asked if we would help them. I think you should note that by this time they had not only gathered themselves together, but they had brought Barbados and Jamaica in their counsels.

We shortly got the President up and we went through this material with him, and went over the views of various people that were taking part in the Vice President's meeting. The President talked to the Vice President, talked to the Secretary of Defense, heard their views, gave his own reactions.

The meeting chaired by the Vice President reconvened at 9 on Saturday morning. The President spoke to them by telephone. I might say we considered whether or not to return, and we felt that if we were going to respond to this request, then the element of secrecy should be maintained; and if there was a sudden change in the President's plans, it would obviously call great attention to that possibility, so we stayed there.

On Sunday, October 23, of course, that night we received the tragic news from Lebanon of the attack on the Marines, and that stunning news caused the President

[23] See footnote 11 above.

to decide in the early morning hours that we should return right away to Washington, and we did so.

During the day on Sunday, we met first from 9 to 11, and then again later in the afternoon from 4 to 7.

However, tracking back to the decision on October 22, it was felt that we should explore carefully with the leaders of the OECS and Jamaica and Barbados their information, their analysis, and their intentions. So, Ambassador McNeil and Major General Crist [24] were sent to Bridgetown. They left early Sunday. They met in the afternoon and evening in Barbados with leaders there, and they were on the telephone to us through this period, giving us more information about the evaluation being made in the area and the options that were before us.

It was in the meeting on Sunday, that last meeting on Sunday, that the President made what I think one would call a tentative decision that we should respond to this urgent request, and that particularly so since their analysis and ours was of a very uncertain and violent situation threatening to our citizens.

On Monday, October 24, of course, the plans were being made, the forces organized, and so forth. The President met in the afternoon from roughly 2:15 to 3:30, something like that, with the Secretary of Defense and the Chiefs, and at the conclusion of that meeting, made a sort of semifinal military decision, he having had the advice of all his advisers the previous day that on general grounds we should proceed. I think the directive of the President to proceed was signed at about 6 p.m. yesterday.

That's kind of the chronology.

Finally, where do we stand on the ground? Both airports at Pearls and Port Salinas have been secured. The elements of the Caribbean Task Force, that is, of the countries from the Caribbean, are at Port Salinas. They landed approximately 10:45 this morning. I think there are about 150 there now. The southern campus at the medical college near Port Salinas airport has been secured. There are no reports of injuries to any American civilians.

There are pockets of resistance in the St. Georges area. I don't want to identify further precisely where, because this is an ongoing operation, and the military people need to be able to conduct their operation secure from any such disclosure. So that is the situation on the ground very generally at this point.

Now for your questions.

Q. Mr. Secretary, the Charter of the Organization of American States, of which the United States is a member, provides that, "No state or group of states has the right to intervene directly or indirectly, for any reason whatever, in the internal or external affairs of any other state. This prohibits not only armed force, but also any other form of interference." [25]

Aren't we in violation of that Charter, sir? And if not, why not?

SECRETARY SHULTZ. The Organization of Eastern Caribbean States provides for their collective security. Those states are not members of the Rio Treaty, under which the clause that you've mentioned would operate. [26] So they have asserted themselves under their treaty, and asked us to help them.

As they view it, and perhaps you heard Prime Minister Charles today express her views most eloquently, [27] the developments on Grenada pose definite security and peace risks to them, and that is the basis for their desire to act. Some are members of the OAS, but they are not members of the Rio Treaty; and their equivalent of the Rio Treaty is their own treaty.

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[24] Francis J. McNeil was the U.S. Ambassador to Costa Rica to July 1983; in August 1983, he became Ambassador in Residence and Research Associate in Public Diplomacy at Tufts University, Fletcher School of Law and Diplomacy. In October the Under Secretary for Political Affairs, Lawrence S. Eagleburger, recalled Ambassador McNeil to evaluate the situation in Grenada. Major General George B. Crist was Vice Director of the Joint Chiefs of Staff.

[25] Reference is to Article 15 of Chapter III, "Fundamental Rights and Duties of States," of the Charter of the Organization of American States, signed at Bogotá on April 30, 1948. (2 UST 2394)

[26] Reference is to the Inter-American Treaty of Reciprocal Assistance (Rio Treaty), September 2, 1947. (4 Bevans 559)

[27] *Supra*.

Q. Mr. Secretary, yesterday, in testifying to the Senate, you said, "At stake is the right of a small country to decide for itself how to achieve its sovereign objectives, free of outside pressure, threat, or blackmail." You were talking about Lebanon there. But why should not that same standard apply to Grenada?

SECRETARY SHULTZ. Well, it does; and in Grenada what you have at the present time is a set of events like this: In 1979, a constitutional government being in power, it was displaced by a bloodless coup, and Prime Minister Bishop has been in charge since that time.

In the events that I described to you, Prime Minister Bishop was placed under house arrest, and then executed. For all intents and purpose, there is no semblance of a genuine government present. There is a vacuum of governmental responsibility—the only genuine evidence of governmental authority being a shoot-on-sight curfew. So in the light of that and in the light of the affinity that the other states feel together, they felt that they had to protect their peace and their security by taking this action and that doing so would help reconstitute legitimate government in Grenada.

Q. Mr. Secretary, do you believe that the Cubans and the Soviets were in any way responsible for the execution of Prime Minister Bishop? And to what extent was the action taken, at least in general terms, as a signal to Havana and Moscow that the United States was prepared to act to protect its own security?

SECRETARY SHULTZ. I've tried to give very carefully what the considerations of the President were, and those are the reasons and the considerations for this action. This was not taken as a signal about anything else. It was taken in the light of the threat to the lives and welfare of American citizens and in the light of a request from the local states who are close to the situation and whose analysis of the situation was parallel, and in fact, went a lot further than our own.

Q. About the first part of the question, sir, do you have any reason to believe that the Soviets or the Cubans were in any way responsible for the overthrow of the Bishop government?

SECRETARY SHULTZ. We don't have any direct information on that point. However, the OECS states feel that such is the case. But that is not the basis of this action on our part.

Q. Mr. Secretary, you have said that one of our two objectives there was to help the OECS states establish law and order and governmental institutions. Does that mean that our troops will remain in Grenada until that is done? And what is your time estimate for how long that will take?

SECRETARY SHULTZ. Our troops will leave as soon as they possibly can. The forces of the other countries in the Caribbean who have initiated this action will be in the lead and working with Grenadians in trying to establish law and order and some form of provisional government. It will be their decisions to make in seeing how this situation unfolds, and we will leave as soon as we possibly can, leaving the island to those who are closest to it.

Q. Does that mean that our troops will stay there until they are satisfied that law and order has been established—they, the other countries?

SECRETARY SHULTZ. I think they will be leaving very, very promptly, and we will have to decide for ourselves what the proper conditions are. We will work with the people from the other governments involved, and they will have a leading role in making these decisions.

I might say that the situation is one in which, in many of these countries, there really is no armed force at all. Prime Minister Charles expressed herself—I might say to the amusement, I guess, of Secretary Weinberger—she said, "When I took office, I decided the worst thing in the world you could have is an army, so I abolished it. I saved myself a lot of money, and I saved conflict between the military and the police force on the Island."

So, that's what they have. And their belief is that the way to have law and order is not to have military establishment, but just a police force. And I imagine that they will work somewhat along those lines, although Grenada has a population of 100,000, so you have to take measures.

I think you have the next question.

Q. Mr. Secretary, the United States has now invaded this island with help from some other area democracies in the Carib-

bean to save and protect the lives of a thousand people, none of whom so far as we know, I guess, have been injured or killed. Why did it take the deaths of 200 Marines in Beirut to send Commander Kelley there to start thinking about additional preventive, precautionary measures to save those lives?

SECRETARY SHULTZ. Of course, we have been concerned about the safety of our Marines all along as they have been there. It didn't take this terrible tragedy to create that concern. I think it is certainly the right thing to do, to have the Commandant of the Marine Corps go promptly to the area and evaluate the security situation in a fresh way. And I think, also, that when you are establishing a presence in an operating, commercial, international airport, naturally, you make decisions that involve some sort of balance between security risks on the one hand, and what it takes for an airport to operate on the other.

I think that, certainly, in the light of the terrible tragedy, that balance needs to be shifted, and the emphasis on security will have to be heightened very significantly. But, of course, we look for General Kelley's report.

I think there is a certain pertinence to your question, because, it seems to me, and the President had to weigh this, with the violent and uncertain atmosphere that certainly was present on Grenada, the question is: Should he act to prevent Americans from being hurt or taken hostage? I think that if he waited and they were taken hostage, or many were killed, then you would be asking me that same question: "Why didn't you in the light of this clear violent situation, take some action to protect American citizens there?"

I don't want to get in the position of second-guessing myself, or the President, but rather to say, one has to weigh these considerations and be willing to take a decision in the light of all of the circumstances, and that is what the President did.

Q. Mr. Secretary, as you know, Grenada is a former British colony, and the Governor-General there was appointed by the British, the person you spoke of a while ago. Mrs. Thatcher has said in Parliament over there that their government advised against this and that the British did not wish to go along with it. [28]

I would like to ask you two things flowing from that. First of all, does the fact that the British do not go along with it cause some cloud over the Governor-General, the British-appointed person now being the one we look to? And, secondly, in view of their experience on the island, why did the United States disregard their recommendation?

SECRETARY SHULTZ. We responded to the urgent request of the states in the area, which are now independent states. They're no longer British colonies. Although obviously the British have had great experience there, so have we. The Caribbean is in our neighborhood, too, so we have a very legitimate affinity for those people.

We responded to their request just as Barbados and Jamaica did. British or other states that may or may not have been asked—I don't have the list of who the OECS asked to help them. But each state has to take its own decision, and the President took ours.

As far as the establishment of authority on the island is concerned, we believe that the Governor-General is the logical person, given the fact that there is a vacuum of government there, and we expect that it will occur that way. We are, of course, always impressed with the views of the British Government and Mrs. Thatcher, but that doesn't mean that we always have to agree with them. Of course, we also have to make decisions in the light of the security situation of our citizens as we see it.

Q. Mr. Secretary, can you give us a report on casualties, including whether there have been Cuban casualties in combat with Americans, and the status of the Cubans and the Soviets on the island?

SECRETARY SHULTZ. I can't give you an account of casualties. I don't have that information at hand, but it will be made available as soon as we have it. I think probably the appropriate place, since they have it, is at the Pentagon.

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[28] For Prime Minister Thatcher's remarks in Parliament, see Foreign Broadcast Information Service, *Daily Report: Western Europe*, October 26, 1983, pp. Q1–Q2.

READEX FICHE

As far as the Soviet Union and Cuba are concerned, as the operation got underway, we notified both the Soviet Union and Cuba of the fact of the operation, of our intentions, and of our readiness to look to the safety of their people on the island. It's my understanding that the Soviets that are there have been identified; they are safe, and their safety is being looked to. On the other hand, in the case of the Cubans, there are many more there. I think there are some 600 Cubans there. Presumably, construction workers. But it is the case that some number—I don't know how many, and perhaps the military don't know at this point how many—are resisting and firing at our forces and, of course, that would cause us to fire back.

Q. I would like to ask two questions. One factual and one more philosophical. Who is in charge of Grenada tonight? I mean, at this minute? Where is Mr. Austin? Are we running the country, or are they still running the country? And, secondly, even though your intention may not have been to send a message, do you think anybody in the Caribbean or anywhere else in the world gets a message from this action?

SECRETARY SHULTZ. I don't. I can't identify the whereabouts of Mr. Austin who was not genuinely in charge insofar as we could see, in any case.

As far as who is running the country is concerned, the country has been in a state since the house arrest of Prime Minister Bishop, essentially, of a kind of vacuum of governmental authority. And that still exists although as the forces of the Caribbean task force are able to develop their contacts there, presumably a governmental structure will emerge.

As far as your philosophic question is concerned, of course, those who want to receive a message will have to receive it. That was not the purpose of this operation. The purpose was as I have stated it.

Q. Traditionally, in this part of the world, there's been a great concern about Yankee force, Yankee imperialism, Yankee aggression, et cetera.

How do you plan—how do you intend to counter the impression that the United States is once again using its overwhelming military superiority in this part of the world to achieve a specific, political objective?

SECRETARY SHULTZ. I think the principal point here is that the concerns and the requests for help came from the states in the region, and they have put their own forces into this picture. The fact that their forces are small in comparison with ours is only a reflection of the fact that they don't invest very much in the way of resources into military capability; and, of course, they don't have much to invest in the first place. It's in the nature of these countries that they're essentially peaceful. But they have put what they can of their own forces forward, and they have taken the lead in suggesting this, and they are there now in the early stages of this effort. And as law and order returns, they will basically be in charge; not us. So it is no effort on our part to gain control of any other country.

Q. Mr. Secretary, if I can just follow up. The British, who have been critical of this action, took an independent action against the Falklands last year when they thought it was necessary.

If they cannot accept the American justification, how do you think, or how many countries in Latin America do you feel will accept the American explanation now?

SECRETARY SHULTZ. Certainly, Jamaica, Barbados, and the Caribbean states are involved. They have asked us very explicitly, not only in the first instances I brought out, but on further probing from Ambassador McNeil, to really be sure that they had analyzed the situation carefully and they were making a thoughtful and thoroughly thought-through request, which they were and are.

I think that's the thing you have to rest on, and it seems to me people ought to recognize where this request came from; and, also, the fact that we will leave promptly. We have no intention of staying there, and the government that will be produced by the people of Grenada is entirely up to them as far as we're concerned.

Q. Just to clear up one thing, Mr. Secretary, you said that there were contacts with the Cubans and with the Soviet Union to inform them of what we were about to do, or had just done. Had there been any contacts at any level since then, and what have you heard from the Soviet Union about this?

SECRETARY SHULTZ. I don't want to go into detail about diplomatic exchanges. But, of course, in general, their response has been that they expect us to look to the safety of their citizens. And certainly, as one might expect, they object strenuously to this action. [29]

The boss says I have to go. I have to go up to the House and talk to them and then the Senate. So I'm on my way to the Congress.

Document 659

Letter From President Reagan to the Speaker of the House of Representatives (O'Neill), October 25, 1983 [30]

President's Report to Congress on Deployment of U.S. Troops in Grenada

DEAR MR. SPEAKER: On October 12, a violent series of events in Grenada was set in motion, which led to the murder of Prime Minister Maurice Bishop and a number of his Cabinet colleagues, as well as the deaths of a number of civilians. Over 40 killings were reported. There was no government ensuring the protection of life and property and restoring law and order. The only indication of authority was an announcement that a barbaric shoot-to-kill curfew was in effect. Under these circumstances, we were necessarily concerned about the safety of innocent lives on the island, including those of up to 1,000 United States citizens.

The Organization of Eastern Caribbean States (OECS) became seriously concerned by the deteriorating conditions in the member State of Grenada. The other members of the OECS are Antigua, Dominica, Montserrat, St. Kitts/Nevis, Saint Lucia, and Saint Vincent and the Grenadines. We were formally advised that the Authority of Heads of Government of Member States of the OECS, acting pursuant to the Treaty establishing the OECS, met in emergency session on October 21. The meeting took note of the anarchic conditions and the serious violations of human rights and bloodshed that had occurred, and the consequent unprecedented threat to the peace and security of the region created by the vacuum of authority in Grenada. The OECS determined to take immediate, necessary steps to restore order in Grenada so as to protect against further loss of life, pending the restoration of effective governmental institutions. To this end, the OECS formed a collective security force comprising elements from member States to restore order in Grenada and requested the immediate cooperation of a number of friendly countries, including the governments of Barbados, Jamaica and the United States, in these efforts. In response to this call for assistance and in view of the overriding importance of protecting the lives of the United States citizens in Grenada, I have authorized the Armed Forces of the United States to participate along with these other nations in this collective security force.

In accordance with my desire that the Congress be informed on this matter, and consistent with the War Powers Resolution, [31] I am providing this report on this deployment of the United States Armed Forces.

Today at about 5 a.m. eastern daylight time, approximately 1,900 United States Army and United States Marine Corps personnel began landing in Grenada. They were supported by elements of the United States Navy and the United States Air Force. Member States of the OECS along with Jamaica and Barbados are providing approximately 300 personnel. This deployment of United States Armed Forces is being undertaken pursuant to my constitutional authority with respect to the conduct of foreign relations and as Commander in Chief of the United States Armed Forces. [32]

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[29] For the Soviet reaction, see the TASS editorials printed *ibid.*, *Daily Report: Soviet Union*, October 26, 1983, pp. K1–K12.

[30] Source: White House Press Release, October 25, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, October 31, 1983, pp. 1493–1494. An identical letter was sent to Strom Thurmond, President pro tempore of the Senate.

[31] Reference is to a Congressional Joint Resolution Concerning the War Powers of Congress and the President, November 7, 1973; for text, see 87 Stat. 555.

[32] On October 27, 1983, the House Foreign Affairs Committee, in a markup session, ap-

Continued

Although it is not possible at this time to predict the duration of the temporary presence of United States Armed Forces in Grenada, our objectives in providing this support are clear. They are to join the OECS collective security forces in assisting the restoration of conditions of law and order and of governmental institutions to the island of Grenada, and to facilitate the protection and evacuation of United States citizens. Our forces will remain only so long as their presence is required.

Sincerely,

RONALD REAGAN

Document 660

Statement by the Representative at the Organization of American States (Middendorf) Before a Special Meeting of the Permanent Council of the Organization of American States, October 26, 1983 [33]

U.S. Explanation of Its Actions and Objectives in Grenada

Thank you, Mr. Chairman. The U.S. Delegation would like to thank the distinguished Prime Minister of Dominica [34] for her initiative in requesting a protocolary meeting of the Permanent Council this morning. Her remarks clearly detail the grave concerns which motivated the actions of her government and other Caribbean states.

As our colleague from Saint Lucia pointed out just now, the decision to undertake this initiative was made jointly by the OECS acting pursuant to the Treaty establishing that organization. The appeal to other countries, including ourselves, the United States, for assistance was made on October 23. [35] Barbados and Jamaica, to whom a similar request for assistance was made, also responded favorably.

Pursuant to this decision, a collective security force made up of contingents from four member states of the OECS—Antigua, Dominica, Saint Lucia, and Saint Vincent—supplemented by units from Barbados, Jamaica, and the United States, disembarked on Grenada yesterday at dawn. Fortunately, there has been little loss of life, and internal order is being restored to the island. Earlier today—to correct a statement made earlier—about 140 citizens, many of whom had been studying in Grenada, were flown to the United States. Consular officers of the Department of State are in Grenada now to facilitate the orderly evacuation of others who desire to leave.

Let me review the extraordinary events in Grenada leading to this unprecedented situation. The slide toward anarchy in Grenada appears to have begun the evening of October 12 with an attempt by Deputy Prime Minister Coard to force out Prime Minister Maurice Bishop. Bishop, who had seized power in 1979 and established close relations with Cuba and the Soviet Union, was reportedly thought to be too "moderate" by the Coard faction.

The power struggle became increasingly violent. On October 19, Prime Minister Bishop, several Cabinet members, and an undetermined number of political and civic leaders were killed under still unexplained circumstances. At least 18 deaths have been confirmed and many more reported, some of them when troops opened fire on peaceful demonstrators.

After Bishop's death—and we recall his visit here in a protocolary meeting on

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proved, by a vote of 33 to 2, House Joint Resolution 402. It passed the House of Representatives on November 1, 1983, by a vote of 403 to 23. This resolution reads:

"Declaring that the requirements of section 4(a)(1) of the War Powers Resolution became operative on October 25, 1983, when United States Armed Forces were introduced into Grenada.

"*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That for purposes of section 5(b) of the War Powers Resolution, the Congress hereby determines that the requirements of section 4(a)(1) of the War Powers Resolution became operative on October 25, 1983, when United States Armed Forces were introduced into Grenada."

The Senate had not taken action on the resolution by the end of the year.

[33] Source: OAS document OEA/Ser. G, CP/ACTA 543/83.

[34] Eugenia Charles. Prime Minister Charles was also chairperson of the Organization of Eastern Caribbean States.

[35] See document 656.

June 1—the People's Revolutionary Army (PRA) announced the dissolution of the existing Government and the formation of a 16-member Revolutionary Military Council of which PRA Commander General Hudson Austin was the nominal head. I say "nominal" because it was not at all clear that Austin or any coherent group was in fact in charge. There were numerous reports of continued jockeying for power, and the potential for further violence was obvious, especially with the imposition of a 24-hour shoot-on-sight curfew. The Revolutionary Military Council itself stated that it did not purport to be a government.

I think it is this quality of menacing uncertainty—the violence, the violations of human rights, the disintegration of civilized governmental authority, the creation of a dynamic that held out the distinct prospect of further violence—that most alarmed the Eastern Caribbean states and led to their October 23 decision to assist the people of Grenada and request our help in doing so.

My government shared these concerns of the OECS countries but also had a particularly humanitarian concern. The deteriorating conditions on the island posed a threat to the continued safety of U.S. citizens living there, who number 800 to 1,000, largely medical school students and faculty. While there had been no specific threats against U.S. citizens, a number had already sought to flee, in the absence of organized evacuation efforts at great risk. The Military Council on the island had promised to reopen the airport on October 24 but did not do so, thus heightening concern over the continued welfare of these citizens. The lack of respect for human rights and the degenerating conditions, of course, also posed a threat to other foreign nationals and, indeed, to the people of Grenada.

After carefully considering these facts and all aspects of the OECS request, concluding that the peace and security of the Eastern Caribbean was threatened and that our assistance was necessary, President Reagan decided to cooperate with the regional initiative. Such humanitarian action has long been recognized as consistent with international law.

The objectives of the collective security force organized by the OECS are clear: to restore law and order, to help the people of Grenada restore functioning institutions of government, and to facilitate the departure of those who wish to leave. The presence of the collective security force will be continued for only so long as it is necessary to ensure these objectives.

This action is a reasonable and proportionate reaction to the deterioration of authority in Grenada and to the threat that this poses to the peace and security of the Eastern Caribbean. It is consistent with the purposes and principles of the Charters of the United Nations and the OAS, since it aims at the restoration of conditions of law and order fundamental to the enjoyment of basic human rights, so clearly in jeopardy in Grenada.

Regional collective security measures of the kind taken here are expressly contemplated by Article 52 of the UN Charter. Paragraph 1 of that article provides for "regional arrangements or agencies dealing with such matters relating to the maintenance of international peace and security as are appropriate for regional action, provided that such arrangements or agencies and their activities are consistent with the purposes and principles of the United Nations." The actions and objectives of the collective security force, in the circumstances described above, are consistent with these purposes and principles.

Articles 22 and 28 of the OAS Charter allow member states to take collective measures to maintain peace and security pursuant to certain collective security agreements. Article 22 of the OAS Charter expressly provides that measures taken pursuant to such agreements are not violations of the provisions of Articles 18 and 20 prohibiting intervention or the use of force. [36]

The OECS Treaty is a regional agreement which concerns itself in part with matters of collective security. The OECS countries are not party to the Rio Treaty; the OECS Treaty serves as their regional security arrangement. The OECS action was pursuant to Article 8 of the OECS Treaty, [37] which authorizes the OECS to

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[36] The Charter of the Organization of American States was signed at Bogotá on April 30, 1948. (2 UST 2394) Articles 20 and 22 are in Chapter IV, "Pacific Settlement of Disputes." Article 28 is in Chapter VII, "Social Standards." Article 18 is in Chapter III, "Fundamental Rights and Duties of States."

[37] See footnote 11 above.

coordinate "the efforts of member states for collective defence and the preservation of peace and security." The OECS decision was, thus, a measure "adopted for the maintenance of peace and security in accordance with existing treaties," as contemplated by Article 22 of the OAS Charter.

In addition, the OECS members were confronted by a "situation that might endanger the peace of America." In response, the OECS members took action consistent with Article 28's provision for "collective self-defense" in accordance with "measures and procedures established in the special treaties on the subject."

Mr. Chairman, in conclusion I would like to point to a disturbing lesson which we can all draw from the tragic events in Grenada. We have seen how Cuban construction workers on that island suddenly transformed themselves into armed soldiers to resist the collective action forces. Plowshares were quickly transformed into swords. This development must be a source of concern to all states and cast doubt on the bona fides of Cuban "civilian" advisers and contingents elsewhere. Thank you, Mr. Chairman.

Document 661

Address by President Reagan, October 27, 1983 (Extract) [38]

"[Grenada] Was a Soviet-Cuban Colony Being Readied . . . To Export Terrorism and Undermine Democracy. We Got There Just in Time"

. . . . . .

Now I know another part of the world is very much on our minds, a place much closer to our shores: Grenada. The island is only twice the size of the District of Columbia with a total population of about 110,000 people.

Grenada and a half dozen other Caribbean islands here were, until recently, British colonies. They are now independent states and members of the British Commonwealth. While they respect each other's independence, they also feel a kinship with each other and think of themselves as one people.

In 1979 trouble came to Grenada. Maurice Bishop, a protege of Fidel Castro, staged a military coup and overthrew the government which had been elected under the Constitution left to the people by the British. He sought the help of Cuba in building an airport, which he claimed was for tourist trade, but which looked suspiciously suitable for military aircraft, including Soviet-built long-range bombers.

The six sovereign countries and one remaining colony are joined together in what they call the "Organization of Eastern Caribbean States." The six became increasingly alarmed as Bishop built an army greater than all of theirs combined. Obviously, it was not purely for defense.

In this last year or so, Prime Minister Bishop gave indications that he might like better relations with the United States. He even made a trip to our country and met with senior officials of the White House and the State Department. Whether he was serious or not, we'll never know. On October 12th, a small group in his militia seized him and put him under arrest. They were, if anything, more radical and more devoted to Castro's Cuba than he had been.

Several days later, a crowd of citizens appeared before Bishop's home, freed him, and escorted him toward the headquarters of the military council. They were fired upon. A number, including some children, were killed and Bishop was seized. He and several members of his Cabinet were subsequently executed, and a 24-hour shoot-to-kill curfew was put in effect. Grenada was without a govern-

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[38] Source: White House Press Release, October 27, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, October 31, 1983, pp. 1501–1502; for full text, see *ibid.*, pp. 1497–1502. For the President's remarks on Lebanon in this speech, see document 384. The address began at 8 p.m. and was broadcast live nationwide on television and radio from the Oval Office of the White House.

ment, its only authority exercised by a self-proclaimed band of military men.

There were then about 1,000 of our citizens on Grenada, 800 of them students in St. Georges University Medical School. Concerned that they would be harmed or held as hostages, I ordered a flotilla of ships, then on its way to Lebanon with Marines—part of our regular rotation program, to circle south on a course that would put them somewhere in the vicinity of Grenada in case there should be a need to evacuate our people.

Last weekend, I was awakened in the early morning hours and told that six members of the Organization of Eastern Caribbean States, joined by Jamaica and Barbados, had sent an urgent request that we join them in a military operation to restore order and democracy to Grenada.

They were proposing this action under the terms of a treaty, a mutual assistance pact that existed among them. These small, peaceful nations needed our help. Three of them don't have armies at all, and the others have very limited forces. The legitimacy of their request, plus my own concern for our citizens, dictated my decision. I believe our government has a responsibility to go to the aid of its citizens, if their right to life and liberty is threatened. The nightmare of our hostages in Iran must never be repeated.

We knew we had little time and that complete secrecy was vital to ensure both the safety of the young men who would undertake this mission, and the Americans they were about to rescue. The Joint Chiefs worked around the clock to come up with a plan. They had little intelligence information about conditions on the island. We had to assume that several hundred Cubans working on the airport could be military reserves. As it turned out, the number was much larger and they were a military force. Six hundred of them have been taken prisoner, and we have discovered a complete base with weapons and communications equipment which makes it clear a Cuban occupation of the island had been planned.

Two hours ago we released the first photos from Grenada. They included pictures of a warehouse of military equipment—one of three we've uncovered so far. This warehouse contained weapons and ammunition stacked almost to the ceiling, enough to supply thousands of terrorists. Grenada, we were told, was a friendly island paradise for tourism. Well, it wasn't. It was a Soviet-Cuban colony, being readied as a major military bastion to export terror and undermine democracy. We got there just in time.

I can't say enough in praise of our military—Army rangers and paratroopers, Navy, Marine, and Air Force personnel—those who planned a brilliant campaign, and those who carried it out. Almost instantly, our military seized the two airports, secured the campus where most of our students were, and are now in the mopping-up phase. It should be noted that in all the planning, a top priority was to minimize risk, to avoid casualties to our own men and also the Grenadian forces as much as humanly possible. But there were casualties, and we all owe a debt to those who lost their lives or were wounded. They were few in number, but even one is a tragic price to pay.

It's our intention to get our men out as soon as possible. Prime Minister Eugenia Charles of Dominica—I called that wrong, she pronounces it Dominica—she is chairman of OECS. She's calling for help from Commonwealth nations in giving the people their right to establish a constitutional government on Grenada. We anticipate that the Governor General, a Grenadian, will participate in setting up a provisional government in the interim.

The events in Lebanon and Grenada, though oceans apart, are closely related. Not only has Moscow assisted and encouraged the violence in both countries, but it provides direct support through a network of surrogates and terrorists. It is no coincidence that when the thugs tried to wrest control over Grenada, there were 30 Soviet advisors and hundreds of Cuban military and paramilitary forces on the island. At the moment of our landing, we communicated with the governments of Cuba and the Soviet Union and told them we would offer shelter and security to their people on Grenada. Regrettably, Castro ordered his men to fight to the death and some did. The others will be sent to their homelands.

You know, there was a time when our national security was based on the standing army here within our own borders and shore batteries of artillery along our coasts. And, of course, a Navy to keep the sea lanes open for the shipping of things necessary to our well-being.

The world has changed. Today, our national security can be threatened in far away places. It is up to all of us to be aware of the strategic importance of such places and to be able to identify them. Sam Rayburn [39] once said that freedom is not something a nation can work for once and win forever. He said it's like an insurance policy; it's premiums must be kept up to date. In order to keep it, we have to keep working for it and sacrificing for it just as long as we live. If we do not, our children may not know the pleasure of working to keep it, for it may not be theirs to keep.

In these last few days, I have been more sure than I've ever been that we Americans of today will keep freedom and maintain peace. I've been made to feel that by the magnificent spirit of our young men and women in uniform and by something here in our nation's capital. In this city, where political strife is so much a part of our lives, I've seen Democratic leaders in the Congress join their Republican colleagues, send a message to the world that we're all Americans before we're anything else, and when our country is threatened, we stand shoulder to shoulder in support of our men and women in the Armed Forces.

. . . . . .

Document 662

U.N. Security Council Draft Resolution, October 27, 1983 [40]

Condemnation of "Armed Intervention in Grenada"

The Security Council,

Having heard the statements made in connection with the situation in Grenada,

Recalling the Declaration on Principles of International Law concerning Friendly Relations and Co-operation among States, [41]

Recalling also the principles concerning the inadmissibility of intervention and interference in the internal affairs of States, [42]

Reaffirming the sovereign and inalienable right of Grenada freely to determine its own political, economic and social system, and to develop its international relations without outside intervention, interference, subversion, coercion or threat in any form whatsoever,

Deeply deploring the events in Grenada which led to the killing of the Prime Minister, Mr. Maurice Bishop, and other prominent Grenadians,

Bearing in mind that, in accordance with Article 2, paragraph 4, of the Charter of the United Nations, all Member States are obliged to refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any State or to act in any other manner inconsistent with the principles of the Charter of the United Nations,

Gravely concerned at the military intervention taking place and determined to ensure a speedy return to normalcy in Grenada,

Conscious of the need for States to show consistent respect for the principles of the Charter of the United Nations,

1. *Deeply deplores* the armed intervention in Grenada, which constitutes a flagrant violation of international law and of the independence, sovereignty and territorial integrity of that State;

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[39] Sam Rayburn, former Speaker of the U.S. House of Representatives.

[40] Source: U.N. document S/16077/Rev.1. The draft resolution was submitted by Guyana, Nicaragua, and Zimbabwe. The vote on this draft Security Council resolution condemning the U.S. operation in Grenada was 10–1 (China, France, Guyana, Malta, the Netherlands, Nicaragua, Pakistan, Poland, Union of the Soviet Socialist Republics, and Zimbabwe, in favor; United States, against), with three abstaining (Togo, United Kingdom, and Zaire). The United States vote against the resolution constituted a veto of the resolution.

[41] Reference is to the Declaration on Principles of International Law Concerning Friendly Relations and Cooperation Among States in Accordance with the Charter of the United Nations, U.N. General Assembly Resolution 25/2625, adopted on October 24, 1970.

[42] Reference is to the Declaration on the Inadmissibility of Intervention and Interference in the Internal Affairs of States, U.N. General Assembly Resolution 36/103, adopted on December 9, 1981.

2. *Deplores* the death of innocent civilians resulting from the armed intervention;

3. *Calls on* all States to show strictest respect for the sovereignty, independence and territorial integrity of Grenada;

4. *Calls for* an immediate cessation of the armed intervention and the immediate withdrawal of the foreign troops from Grenada;

5. *Requests* the Secretary-General to follow closely the development of the situation in Grenada and to report to the Council within forty-eight hours on the implementation of this resolution.

Document 663

Transcript of an Interview With the Representative at the United Nations (Kirkpatrick), October 30, 1983 [43]

International Reaction to Grenada Mission

MR. KALB. Our guest today on "Meet the Press" is Ambassador Jeane Kirkpatrick, head of the U.S. Delegation to the United Nations. A political scientist and specialist in Latin American politics, Ambassador Kirkpatrick has played a key role in shaping administration policies in that region. She holds Cabinet rank and is a member of the National Security Council.

Our reporters today are Henry Trewhitt, of the *Baltimore Sun;* Robert Novak, of the *Chicago Sun-Times;* Hedrick Smith, of the *New York Times;* and to open the questioning, our regular panelist, Bill Monroe of NBC News.

MR. MONROE. Madam Ambassador, the *New York Times* says this morning that the U.S. will pay a heavy cost for the invasion of Grenada. Quoting the *Times* editorial, ". . . the cost is loss of the moral high ground: a . . . demonstration to the world that America has no more respect for laws and borders, for the codes of civilization, than the Soviet Union." What is your feeling about the cost?

AMB. KIRKPATRICK. I think the *New York Times*—With all due respect, I think the *New York Times* is simply wrong. I think, in fact, that the—those nations who may seriously feel that it was an immoral act already thought we were an immoral power. I expect that most of the nations in the region will breathe a sigh of relief, as a matter of fact, at the success of the operation and at the removal of what a good many of them recognize was a clear and present danger to their own security.

I think that, furthermore, the feeling of enhanced security and the certain knowledge that the legal grounds of our operation were sound will prove to be much stronger than any kind of reflexive Latin disapproval of U.S. intervention any place in the region.

It's interesting to note that the countries of Central America, with the single exception of Nicaragua, and several of the most key countries in Latin America have been very mild and ambiguous and ambivalent in their comments on the action, because they understand the extent to which their security depends on a confident, strong American presence.

MR. MONROE. Well, Mrs. Kirkpatrick, not a single nation except those allied with us in the action against Grenada have spoken up in our defense. The French and the Dutch voted against us in the Security Council; [44] the Mexicans and other members of the OAS have criticized us. Can you cite a single provision of international law, the United Nations, the Organization of American States, under which we have the right to invade a nation like Grenada if we feel there's chaos there or we worry that some of our people may be in danger?

AMB. KIRKPATRICK. Oh, certainly. And let me just say that I did that in my speech before the U.N., in which I presented the U.S. case. [45] I said that the U.N. Charter does not simply forbid the use of force under all circumstances as an absolute. The U.N. Charter leaves very ample

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[43] Source: NBC News. Ambassador Kirkpatrick was interviewed in Washington on the NBC program, "Meet the Press" by Henry Trewhitt of the *Baltimore Sun*, Robert Novak of the *Chicago Sun-Times*, Hedrick Smith of the *New York Times*, and Bill Monroe of NBC News. Bernard Kalb of NBC News served as moderator.

[44] See footnote 40 above.

[45] For text of Kirkpatrick's speech on October 27, 1983, before the U.N. Security Council, see Department of State *Bulletin*, December 1983, pp. 74–76.

grounds for the use of force against force in protection of the other rights and values in the Charter. Those other values include security and peace and democracy, in fact, even in the U.N. Charter. We acted, of course, at the request of the Organization of Eastern Caribbean States. We acted—You say "not a single nation." If I may say so, that's also mistaken. We acted with the full approval of other key nations in the Caribbean. Jamaica and Barbados, for example, also participated in the action.

MR. MONROE. Those six.

AMB. KIRKPATRICK. Those six, yes, but those are the key states in the region.

(Announcements)

MR. SMITH. Madam Ambassador, you say the legal argument for our going into Grenada is sound. If that's the case, why hasn't it been more persuasive with old allies, like the British, the French, the West Germans, the Italians, all of whom have either criticized us or voted against us in the U.N.?

AMB. KIRKPATRICK. Let me say that the—our European allies are principally, I believe, allied with us on matters that concern the defense of Europe. NATO was one of the collective security agreements which President Harry Truman negotiated and the Congress ratified after World War II, but it was only one of those. They do not necessarily show very much sensitivity to U.S. security in other regions, and we don't necessarily approve of their policies all the time. The fact is that we Americans have a somewhat sentimental picture about our relations with our European allies in international affairs. That alliance has always been focused on the defense of Europe, and they have repeatedly undertaken actions without consulting with us, for example, in other parts of the world. Sometimes we don't approve of those actions either. And we undertake actions independently of them, and sometimes they don't approve of those.

This is an action which above all concerned our region, our region geographically. It's only—It was not at all involved in NATO. It's importantly related, I think, to our ability to fulfill our NATO obligations in the long run, but in an indirect kind of way.

I think what's important is that the states of the region who were concerned approved the action and, indeed, requested it, and wouldn't necessarily approve what we did in—to help in the defense of Europe.

MR. SMITH. You say that they're mainly focused on Europe, but we backed the British when they were involved in the battle of the Falklands Islands, very much involving Latin America. The British didn't back us on this one. How do you explain that, and how do you react to that?

AMB. KIRKPATRICK. Well, frankly, I find that rather difficult to explain.

MR. SMITH. What message are the Nicaraguans and others in Central America supposed to get from this action? Does Nicaragua now have to worry about American intervention down there? Should they? Is that the intended message?

AMB. KIRKPATRICK. If I may say so, Nicaragua worries all the time about U.S. intervention in Nicaragua. From the perspective in the U.N., I'm very sensitive to that, because every few months they come to the U.N. and say that we are about to launch a massive U.S. military invasion of Nicaragua. They did that first about a year-and-a-half ago. I think that Nicaragua feels continuously threatened, and what they feel threatened by is the growing competence and confidence of their own neighbors—of Honduras, Costa Rica, El Salvador, Guatemala—and by the Contadora process, which has now worked out some points, many of which are not very acceptable to Nicaragua. [46]

MR. NOVAK. Ambassador Kirkpatrick, if there had not been one American student on the island of Grenada, or no substantial number of them, do you think this administration would have launched the operation at the request of the Eastern Caribbean states?

AMB. KIRKPATRICK. I don't know. I argued in the United Nations that I believed there was a combination of factors, each of which played a significant role in our decision, legal factors, and—each of

[46] Reference is to attempts by the Contadora Four (Venezuela, Colombia, Mexico and Panama) to promote peace in Central America. See documents 628 and 644. See also OAS document OEA/Ser.G, CP/INF.2111/84, January 16, 1984.

which figure in the legal case for our action.

First was indeed, as the President has emphasized, Secretary Shultz has emphasized, the protection of innocent American nationals, some—nearly a thousand of them on that island and in a highly vulnerable condition. Second was the request of the Organization of East Caribbean States. Third was the virtual vacuum of power on the island and—which was accompanied by very great violence.

MR. NOVAK. Let me re-phrase it, Madam Ambassador. If there were no American nationals in substantial numbers, was there ample justification on these other reasons for launching the operation?

AMB. KIRKPATRICK. That's one of what my husband calls what-would-you-do-if-your - grandmother - died - next - Thursday questions. You know, I don't know. I haven't addressed that question very specifically. I know that the importance—that the defense of American nationals on the island figured very importantly in the President's decision.

MR. NOVAK. I wonder if I could quickly switch to Lebanon. As Ambassador to the United Nations, would you favor the replacement of the American Marines by a United Nations peacekeeping force?

AMB. KIRKPATRICK. Oh, under the right circumstances, with the right mandate, of course. I'm sure you know that the United States and the other members of the multinational force have explored at the U.N. ways of introducing UNIFIL troops in, the United Nations troops, into the region of the Chouf, and the Bekka, and other highly controverted areas of Beirut—of Lebanon, in and around Beirut.

The Soviet Union is a member of the United Nations Security Council with a veto power. They have not been enthusiastic about permitting U.N. troops into any area in which it looks like one of their client states, or close associates at least, which Syria is, might move. And so they've been very, very negative about any such move. I personally think that U.N. peacekeeping forces could do a very valuable job there.

MR. TREWHITT. Mrs. Kirkpatrick, you mentioned earlier that the allies in Europe were concerned first of all about issues that were related to NATO European defense. How does the Grenada invasion play in that regard, do you think? Is it going to change the attitude of allied governments regarding the deployment of INF weapons in Europe, that sort of thing?

AMB. KIRKPATRICK. No, I don't think so, I think that those questions are going to be settled on the basis of European considerations.

MR. TREWHITT. What about European publics, which have been very vocal against INF deployments? How much ammunition does an event such as this give them?

AMB. KIRKPATRICK. I think that the question of deployments, missile deployments in Europe will be settled on the basis of European considerations, European security, finally. I really, truly do. I think that the Soviet and related—domestic Communist Party propaganda apparatuses in those governments, in those countries—excuse me—in those countries is sufficiently effective that they find grounds for attacking us and casting doubts and aspersions on our motives and on our behavior virtually regardless of what we do, frankly.

MR. TREWHITT. I'm going to do a quick 180 degree turn here, because I may not have another chance to ask you about your personal plans. I've heard you nominated for everything from immediate retirement to Secretary of State. Are you preparing to leave the United Nations?

AMB. KIRKPATRICK. I'm not preparing anything.

MR. TREWHITT. Do you plan to stay in office till the end of this term?

AMB. KIRKPATRICK. I'm not pre—I'm not given to long-range planning.

MR. KALB. Madam Ambassador, I'd like to go back to Grenada and try to rephrase a question asked earlier. Most people, I think, have praised the President in terms of trying to protect American lives on Grenada. The issue that comes up is whether the United States can arrogate to itself the right, because of its military power in Latin America, to change a government there, to overthrow a government there. How do you respond to that?

AMB. KIRKPATRICK. I think that, like all questions of politics and international affairs and law, one has to look at the concrete circumstances and not at the abstract

question. I think that given the concrete circumstances in Grenada, that the legal, as well as the moral and political case for our action, was very strong. I think that we would have to look at other concrete cases to make decisions about what would be justified in other concrete cases.

MR. KALB. But you're a specialist in this area. You know the long shadow likely to be cast by another use of massive American military power to accomplish a political aim. Does this bother you? Are you concerned about this?

AMB. KIRKPATRICK. Quite frankly, as a specialist in the area, I am not, and I will tell you why. I was in Venezuela two years ago, and a very high level official in that government, who shall go nameless, looked at a map of the region. It showed Grenada and Venezuela. They were 90 miles apart, and he drew a circle from Grenada, which circle was—reflected the range of a MIG leaving Grenada to show what kind of control of air—how far that MIG could attain, how far over Venezuela that MIG could get from Grenada. I have had other Latin officials show me, in very concrete terms, where the sea lanes—what it meant to the sea lanes, through which all shipping that passes through the Panama Canal into the Atlantic pass, with regard to Grenada.

I have been just recently in Central America, and I have listened to very high level officials and influential private sector journalists, publishers, writers, teachers, businessmen, all kinds of people—labor leaders—in those countries worry desperately about the vulnerability of their governments and their countries to the growing superior and aggressive force of Nicaragua in the region. I do not, quite frankly, believe that this use—limited, specific, purposeful—of force by the United States, in conjunction with the other states in the region, is going to produce the sort of backlash that you're describing in the area, and I do say that most earnestly, as someone with a longstanding interest in this area.

MR. MONROE. Many Americans support the administration action in Grenada, but I wonder if you're saying that that action, that military success, had no moral cost, no public opinion cost, in view of the unanimity shown by nations at the United Nations, at the Organization of American States, against the action we took, with the exception of the U.S. and the six Caribbean islands?

AMB. KIRKPATRICK. Now wait a minute. Let's not say that there was unanimity, because there wasn't unanimity. There wasn't unanimity at all, and what there was was a Security Council vote, which was heavily against us.

MR. MONROE. Eleven to one.

AMB. KIRKPATRICK. But let me remind you—with three abstentions—let me remind you that there are—the United States regularly loses in the United Nations, in the General Assembly and in the Security Council. No nation is more regularly both a loser and a victim at the United Nations than the United States except Israel, who is even more totally a loser and a victim.

The United Nations is a political system, and it's a political system which is largely controlled by our adversaries. I've been talking about this ever since I've been there. It is not news when the United States is outvoted at the United Nations. It only becomes news when, for some reason or another, we're able to eke out a victory in some U.N.—

MR. MONROE. In view of the international reaction to this situation in Grenada, with nations such as the French, the Dutch, the Pakistanis, the Mexicans, and others obviously condemnatory of what we have done, are you telling us that there was no moral cost and no public opinion cost to that action?

AMB. KIRKPATRICK. Mr. Monroe, I'm telling you that I don't think there's any moral cost to that action. I'll go beyond that and say that I don't think there's any moral cost in France with the French government. I would say that there are at least as many Frenchmen, attentive Frenchmen who are shocked by the decision of their government to vote for that resolution as who support it. If you follow the French press, which I do all the time, let me say, I think that's quite clear. Many Frenchmen see our action in Grenada as at least as defensible, and perhaps even more understandable, morally, politically, legally, as France's action, for example, in Chad to help protect that country against terror.

MR. SMITH. Madam Ambassador, you've made a major point, and so has the Presi-

dent, about protecting American citizens on Grenada, and certainly Americans here want to see that done. But there are some who contend that not all was done before the invasion to get them out peacefully, that the airport in Grenada was open on the Monday before the invasion. Wasn't there more that the United States could have done peacefully to evacuate Americans without an invasion?

AMB. KIRKPATRICK. All I can say is that, one, I don't think it was an invasion; I think it was a rescue. And I think that we ought to stop calling it an invasion, if I may say so. It was a rescue operation, and it was felt and recognized to be such by most of the Americans involved. I don't doubt that you can find one or two or three who think the contrary. It was, I believe, well-handled. We had to behave very prudently, because it was also very clear that those—that there was proximate, real danger already posed to those—particularly to those students, as well as to the Governor-General, I think, in Grenada.

MR. SMITH. What do you say to the 30 or 40 people who came out by air on Monday from Grenada peacefully, some of them Americans, one of them director of the President's Commission on Social Security?

AMB. KIRKPATRICK. They were fortunate.

MR. NOVAK. Ambassador Kirkpatrick, a week ago today the *Washington Post* had a front page story which described you as embittered, and referred to what they said you believed to be the "weak and rudderless leadership of Secretary of State George Shultz." Is that a correct characterization of your attitude toward the Secretary of State?

AMB. KIRKPATRICK. I'm glad you raised that question. I would like to say that about 90 percent of what's been published about me and the Secretary of State or any other figure in our government or any other post in our government in the last two weeks has been really hopelessly distorted.

MR. NOVAK. What about this—

MR. KALB. Two minutes to go.

AMB. KIRKPATRICK. That one is one of those. That is—I mean it is just simply not an accurate characterization of my views at all.

MR. NOVAK. Do you consider yourself embittered because—

AMB. KIRKPATRICK. No, not at all, not at all. I mean—you know, this was, Bob, a media event, which I still don't understand quite, either. I don't understand who scripted it, and I don't understand who pushed it. I just know that it was largely not so. I consider it behind me.

MR. TREWHITT. Mrs. Kirkpatrick, you just, a few minutes ago, made a fairly strong case for the position that the United States is consistently belabored and in the minority in the United Nations. Is there any plan to grade down U.S. participation in the United Nations? And if not, why not, in those circumstances, if that is a correct characterization of our role?

AMB. KIRKPATRICK. I've said it many times since I've been there, Mr. Trewhitt, I think what we have to do is be more effective in the United Nations. We let our influence in that body and our effectiveness in that body decline through a period of probably 20 years. We failed to understand what kind of a political system it is, and we have failed above all to adequately link our relations with nations inside the U.N. to our relations with nations outside the U.N.

The fact is a good many of the nations with whom we have very good relations outside the U.N. behave very badly toward us regularly, on a wide range of issues, inside the U.N. I think we need to let nations know that if they want to be friends of ours outside the U.N., they need to behave like friends inside U.N. bodies as well. That, I think, is the answer.

MR. KALB. Thank you, Ambassador Kirkpatrick, for being with us today on "Meet the Press."

Document 664

Resolution 38/7, Adopted by the U.N. General Assembly, November 2, 1983 [47]

Call For "Immediate Cessation of the Armed Intervention and the Immediate Withdrawal of the Foreign Troops From Grenada"

The General Assembly,

Considering the statements made before the Security Council in connection with the situation in Grenada,

Recalling the Declaration on Principles of International Law concerning Friendly Relations and Co-operation among States in accordance with the Charter of the United Nations, [48]

Recalling also the Declaration on the Inadmissibility of Intervention and Interference in the Internal Affairs of States, [49]

Reaffirming the sovereign and inalienable right of Grenada freely to determine its own political, economic and social system, and to develop its international relations without outside intervention, interference, subversion, coercion or threat in any form whatsoever,

Deeply deploring the events in Grenada which led to the killing of the Prime Minister, Mr. Maurice Bishop, and other prominent Grenadians,

Bearing in mind that, in accordance with Article 2, paragraph 4, of the Charter of the United Nations, all Member States are obliged to refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any State or to act in any other manner inconsistent with the principles of the Charter,

Gravely concerned at the military intervention taking place and determined to ensure a speedy return to normalcy in Grenada,

Conscious of the need for States to show consistent respect for the principles of the Charter,

1. *Deeply deplores* the armed intervention in Grenada, which constitutes a flagrant violation of international law and of the independence, sovereignty and territorial integrity of that State;

2. *Deplores* the death of innocent civilians resulting from the armed intervention;

3. *Calls upon* all States to show the strictest respect for the sovereignty, independence and territorial integrity of Grenada;

4. *Calls* for an immediate cessation of the armed intervention and the immediate withdrawal of the foreign troops from Grenada;

5. *Requests* that free elections be organized as rapidly as possible to enable the people of Grenada to choose its government democratically;

6. *Requests* the Secretary-General as a matter of urgency to assess the situation and to report back to the General Assembly within seventy-two hours.

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[47] Source: U.N. General Assembly Resolution 38/7. The recorded vote was 108 in favor, 9 against (Antigua and Barbuda, Barbados, Dominica, El Salvador, Israel, Jamaica, Saint Lucia, Saint Vincent, and the United States), with 27 abstaining. For text of Ambassador Kirkpatrick's statement before the General Assembly regarding this resolution, see U.S. Mission to the United Nations Press Release 120, November 2, 1983. The White House issued a statement the following day regarding this resolution; for text, see Department of State *Bulletin*, December 1983, p. 78.

[48] Reference is to U.N. General Assembly Resolution 25/2625, adopted on October 24, 1970.

[49] Reference is to U.N. General Assembly Resolution 36/103, adopted on December 9, 1981.

Document 665

Transcript of a Press Conference by President Reagan, November 3, 1983 (Extracts) [50]

"This Was a Rescue Mission"

THE PRESIDENT. Before this morning's announcement, I'd like to share some information with you that I received on the phone last night.

Secretary of Defense Cap Weinberger called to inform me that hostilities in Grenada have ended and that he has instructed our military commanders to begin withdrawing their forces within a few days.

What this means is that the situation is stable, no sniper fire or other form of military resistance is evident on the island. Our objectives have been achieved and as soon as the logistics permit, American personnel will be leaving.

I'd like to add that the members of the Armed Forces have conducted themselves in the finest tradition of the military. We can be proud of the courage and professionalism that we've seen from the people down there. The American students called them rescuers. The citizens of Grenada have hailed them as liberators. I think the whole lot of them deserve the respect and admiration of our country.

The operation was not without cost. Those who were killed, wounded or injured in this operation I believe are heroes of freedom. They not only rescued our own citizens, but they saved the people of Grenada from repression and laid aside a potential threat to all the people of the Caribbean.

After viewing the massive horde of Soviet weapons found on that island, who knows what evil the liberation of Grenada achieved for us, or averted in the years ahead.

. . . . . .

Q. Mr. President, Nicaragua says you intend to invade that country. Do you, sir?

THE PRESIDENT. Who says?

Q. Nicaraguan leaders, sir.

THE PRESIDENT. I haven't believed anything they've been saying since they got in charge and you shouldn't either.

Q. Mr. President, does the success of Grenada, as you view it, does that operation mean that you might be able to apply the military in similar situations elsewhere?

THE PRESIDENT. No, I can't foresee any situation that has exactly the same things that this one had. It had exactly what we announced in the beginning, the need to protect the lives and the safety and freedom of about 1,000 Americans, most of them students down there in medical school, and in answer to a request on the part of the other nations bound by treaty together in the east Caribbean that we lend our support to them in freeing this up because they lacked the strength and capability of doing it.

Q. If somebody else asks, would you be willing to do it again?

THE PRESIDENT. As I say, if all the conditions were the same, I don't see why our reason would be any different. But I don't foresee any similar situation on the horizon.

Q. Why did 100 nations in the United Nations not agree with you that this was a worthwhile venture?

THE PRESIDENT. . . . 100 nations in the United Nations have not agreed with us on just about everything that's come before them where we're involved and it didn't upset my breakfast, at all.

Q. Mr. President, some people say that the United States has now lost a moral high ground, that there's no difference between what we did in Grenada and what the Soviets did in Afghanistan. What's your response to that?

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[50] Source: White House Press Release, November 3, 1983, Office of the Press Secretary to the President; also printed in *Weekly Compilation of Presidential Documents*, pp. 1514–1516; for full text, see *ibid.*, pp. 1514–1517. The press conference, which principally dealt with the appointment of Donald Rumsfeld as special representative for the Middle East, began at 9:55 a.m. in the Briefing Room of the White House.

THE PRESIDENT. Well, for heaven sakes, anyone who would link Afghanistan to this operation, and incidentally, I know your frequent use of the word, invasion, this was a rescue mission. But in Afghanistan, if you will recall, when the Soviets installed their choice of Head of State for Afghanistan and in the process in changing the forces there, an American ambassador was murdered in Afghanistan, and then, against all the opposition of the Afghanistan people, they have used every vicious form of warfare including chemical warfare, the killing of women and children that has caused even some of their own men to desert because they will not carry out the orders to kill women and children, and they're still there after a long period of time, longer than I've been in this Office. As compared to what we did in answer, actually, to an appeal that first came from the Governor General of the island, who was in house arrest, to his fellow states there in the Caribbean who were appealing for rescue, and we helped in the rescue.

Granted that we contributed the bulk of the power, but because—only because the others were limited in their ability to do that. And this was a rescue mission. It was a successful rescue mission, and the people that have been rescued, and the Grenadians that have been liberated, are down there delighted with and giving every evidence of appreciation and gratitude to our men down there.

. . . . . .

Document 666

Address by the Deputy Secretary of State (Dam) Before the Associated Press Managing Editors' Conference, Louisville, Kentucky, November 4, 1983 [51]

The Origins, Development, and Impact of U.S. Participation in the Grenada Mission

This is the 11th day since the combined U.S.-Caribbean peace force landed in Grenada to protect lives and restore order. That may not be enough time to make definitive historical judgments, but it is not too early to begin to reflect on the meaning of what happened. So I would like today to talk both about the collective action itself and about its larger significance for U.S. foreign policy.

Two basic objectives motivated the President's decision last week to act jointly with Barbados and Jamaica in response to the urgent and formal request from the Organization of Eastern Caribbean States (OECS). [52] These objectives were:

To protect the lives of U.S. citizens; and

To help Grenada reestablish order so that governmental institutions and human rights can be restored, thereby contributing also to the maintenance of regional peace and stability.

The Setting

Prime Minister Charles of Dominica recently described the countries of the eastern Caribbean as "kith and kin." Reuben Harris, the Education Minister of Antigua and Barbuda, was more specific last week at a UNESCO [UN Education, Scientific and Cultural Organization] conference in Paris. He noted that these nations "enjoy an economic community, a common currency, joint diplomatic representation and responsibility for . . . common defence and security."

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[51] Source: *Current Policy* No. 526, November 4, 1983, Bureau of Public Affairs, Department of State. All brackets in this document are in the source text.

[52] See document 656.

This unique institutional setting helps explain why 10 days, days of brutality and instability, ultimately brought about collective action to restore peace in Grenada. Order began to disintegrate in Grenada the evening of October 12 with an attempt by Deputy Prime Minister Bernard Coard to force out Prime Minister Maurice Bishop. According to minutes of the party Central Committee, although Bishop had established close relations with Cuba and the Soviet Union, the Coard faction considered him a "bourgeois deviationist" for moving too slowly to consolidate a "Leninist" restructuring of Grenadian society.

Bishop was put under house arrest in the middle of the night October 14, then freed by his supporters on October 19. Troops opened fire on the crowd. Bishop and several Cabinet ministers and union leaders were taken away, then executed. Education Minister Jacqueline Creft was apparently beaten to death.

In the wake of these murders, the People's Revolutionary Army announced the government was dissolved and a 24-hour curfew imposed: anyone found outside would be shot on sight. Army General Hudson Austin was head of a 16-member Revolutionary Military Council (RMC). But it was never clear that Austin or any coherent group was in fact in charge. No one knew when—or how—a new government would be formed.

Caribbean Reaction

The murders and breakdown of governmental order shocked, repelled, and alarmed leaders throughout the Caribbean. Without exception, the leaders of the eastern Caribbean condemned the murders and expressed their sympathy for the people of Grenada.

Other Caribbean leaders were equally outraged. Prime Minister Tom Adams of Barbados said Bishop and his fellow ministers had been killed by "disgusting murderers" who had committed the "most vicious act to disfigure the West Indies since the days of slavery."

Prime Minister Edward Seaga of Jamaica expressed revulsion at "the intensity of the barbarity" and broke diplomatic relations with Grenada. Even the Jamaican opposition party (People's National Party, the PNP), headed by former Prime Minister Michael Manley, severed all relations with the New JEWEL Movement, recommended its expulsion from the Socialist International, and declared that the RMC had no right to speak for the Grenadian people.

The Decision to Act

Sometimes action is necessary to keep a bad situation from getting worse. This was such a time. The disintegration of political authority in Grenada had created a dynamic that spread uncertainty and fear and that made further violence likely. The actions of Bishop's murderers made clear that they would have either driven the island into further chaos or turned it into an armed fortress. In either event, the threat to U.S. citizens and to the peace of the eastern Caribbean would have increased. Inaction would have made a hostage situation more likely and increased the costs in lives of any subsequent rescue operation.

The OECS decided to help its member state of Grenada and to ask Barbados, Jamaica, and the United States for assistance. In its formal request for U.S. assistance, the OECS cited:

". . . the current anarchic conditions, the serious violations of human rights and bloodshed that have occurred and the consequent unprecedented threat to the peace and security of the region created by the vacuum of authority in Grenada."

The OECS request also noted:

". . . that military forces and supplies are likely to be shortly introduced to consolidate the position of the regime and that the country can be used as a staging post for acts of aggression against its members; and

". . . that the capability of the Grenada armed forces is already at a level of sophistication and size far beyond the internal needs of that country."

We had, of course, also been following events with increasing concern. As is well known, Grenada's ties to Cuba and the Soviet Union and its abandonment of democracy and poor human rights record had led the United States to have serious disagreements with the Bishop regime. Nonetheless, Bishop's visit to the United States in June 1983 (when Judge Clark [William Clark, then National Security Adviser to the President] and I met with him

in my office) had led us to hope that Grenada might adopt a more moderate course.[53]

What became our overriding concern as events unfolded, however, was not Grenada's political system. Rather, it was the safety of U.S. citizens in the midst of a growing anarchy which the countries of the Caribbean also saw as a direct threat.

Some 1,000 U.S. citizens, mainly students, retirees, and missionaries, made up the largest community of foreigners on Grenada. Our concern for their welfare was heightened by the murders, the shoot-on-sight curfew, and the difficulty of getting accurate information. And in the absence of a functioning government there could be no credible assurances of their well-being and future prospects. I don't think that I need remind you that today is the fourth anniversary of the seizure of the U.S. Embassy in Tehran.

After carefully considering these developments, and reviewing all aspects of the OECS request, President Reagan concluded that to wait passively would entail great and increasing risks. Before acting, however, the President sent a special emissary, Ambassador Frank McNeil, to consult with OECS representatives and with Prime Minister Adams of Barbados and Prime Minister Seaga of Jamaica.

Ambassador McNeil found these leaders unanimous in their conviction that the deteriorating conditions on Grenada were a threat to the entire region and that the situation required immediate action.

Legal Authority for Action

U.S. actions have been based on three legal grounds.

First, as these events were taking place, we were informed, on October 24, by Prime Minister Adams of Barbados that Grenada's Governor General, Sir Paul Scoon, had used a confidential channel to transmit an appeal to the OECS and other regional states to restore order on the island. The Governor General has since confirmed this appeal. We were unable to make this request public until the Governor General's safety had been assured, but it was an important element—legally as well as politically—in our respective decisions to help Grenada. The legal authorities of the Governor General were the sole remaining source of governmental legitimacy on the island in the wake of the tragic events I have described. We and the OECS countries accorded his appeal exceptional moral and legal weight. The invitation of lawful governmental authority constitutes a recognized basis under international law for foreign states to provide requested assistance.

Second, the OECS determined to take action under the 1981 treaty establishing that organization. That treaty contains a number of provisions—in articles 3, 4, and 8—which deal with local as well as external threats to peace and security.[54] Both the OAS [Organization of American States] Charter, in articles 22 and 28,[55] and the UN Charter, in article 52, recognize the competence of regional security bodies in ensuring regional peace and stability. Article 22 of the OAS Charter, in particular, makes clear that action pursuant to a special security treaty in force does not constitute intervention or use of force otherwise prohibited by articles 18 or 20 of that charter. In taking lawful collective action, the OECS countries were entitled to call upon friendly states for appropriate assistance, and it was lawful for the United States, Jamaica, and Barbados to respond to this request.

Third, U.S. action to secure and evacuate endangered U.S. citizens on the island was undertaken in accordance with well-established principles of international law regarding the protection of one's nationals. That the circumstances warranted this action has been amply documented by the returning students themselves. There is absolutely no requirement of international law that compelled the United States to await further deterioration of the situation that would have jeopardized a successful

[53] Concerning this meeting, see Dam's testimony in *U.S. Military Actions in Grenada: Implications for U.S. Policy in the Eastern Caribbean: Hearings Before the Subcommittees on International Security and Scientific Affairs and on Western Hemisphere Affairs of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1984), pp. 23, 28–29.

[54] Article 3 of the Treaty Establishing the Organization of Eastern Caribbean States is entitled "Purposes and Functions of the Organization." Article 4 is entitled "General Undertaking as to Implementation." Article 8 is entitled "Composition and Functions of the Defence and Security Committee." (American Society of International Law, *Legal Materials*, September 1981, p. 1161)

[55] See footnote 36 above.

operation. Nor was the United States required to await actual violence against U.S. citizens before rescuing them from the anarchic and threatening conditions the students themselves have described.

Some are asking how this U.S. action can be distinguished from acts of intervention by the Soviet Union. Let me say that the distinctions are clear. The United States participated in a genuine collective effort—the record makes clear the initiative of the Caribbean countries in proposing and defending this action. This action was based on an existing regional treaty and at the express invitation of the Governor General of Grenada. Our concern for the safety of our citizens was genuine. The factual circumstances on Grenada were exceptional and unprecedented in the Caribbean region—a collapse of law, order, and governmental institutions. Our objectives are precise and limited—to evacuate foreign nationals and to cooperate in the restoration of order. Our objectives do not involve the imposition on the Grenadians of any particular form of government. Grenadians are free to determine their institutions for themselves. Finally, our troops have already begun to leave; we will complete our withdrawal as soon as other forces are ready to take over from us.

Those who do not see—or do not choose to see—these clear-cut distinctions have failed to analyze the facts. We have not made, and do not seek to make, any broad new precedent for international action. Our actions themselves are well within accepted concepts of international law.

The Rescue Operation

To minimize the potential loss of lives and maximize the chances of success, both the preparations for the multi-national peace force and our final decision to participate had to be protected by keeping them secret.

When our forces arrived in Grenada, they immediately came under fire. And the main resistance came from Cubans, not Grenadians. The Cubans were very well armed. They were deployed at the airport, at the medical school where a large number of U.S. citizens were studying, at the Governor General's house, at a Cuban military encampment at Calivigny, and at several other forts and strategic points.

Despite the Cuban-led resistance, hostilities have now ended. U.S. forces are withdrawing. The Rangers left Sunday; the Marines yesterday.

The Governor General has thanked us for our assistance as a "positive and decisive step forward in the restoration not only of peace and order but also of full sovereignty."

The OECS is assisting the Governor General and prominent Grenadians to establish a provisional government capable of restoring functioning institutions and permitting early elections.

Seventeen flights have safely evacuated, at their request, 599 Americans and 121 foreigners. Their accounts of conditions in Grenada and praise for their rescuers speak for themselves. The respected Grenadian journalist Alister Hughes evidently spoke for the vast majority of people in Grenada, Grenadians and foreigners alike, when he said of the Caribbean peace force: "Thank God they came. If someone had not come in and done something, I hesitate to say what the situation in Grenada would be now."

Cuban and Soviet Penetration in Grenada

While we are still assembling and evaluating the evidence, what we have found suggests that Grenada would have become a fortified Cuban/Soviet military outpost. I mentioned earlier that we had been concerned—well before the events which brought about our collective action—that Grenada could be used as a staging area for subversion of nearby countries, for interdiction of shipping lanes, and for transit of troops and supplies from Cuba to Africa and from Eastern Europe and Libya to Central America.

What we found in Grenada may be summed up as the military underpinnings for just such uses. We found five secret treaties—three with the Soviet Union, one with North Korea, and one with Cuba—under which these communist countries were to donate military equipment in amounts without precedent for a population of 110,000.[58] We found artillery,

[58] For texts of these and other documents relating to Grenada, see *Grenada Documents: An Overview and Selection*, released by the Department of State and the Department of Defense, September 1984 (Washington, 1984).

antiaircraft weapons, armored personnel carriers, and rocket launchers. We found thousands of rifles, thousands of fuses, tons of TNT, and millions of rounds of ammunition. We found communications gear and cryptographic devices. We found agreements authorizing the secret presence of Cuban military advisers, some of them on a "permanent" basis.

All of the agreements stipulated that arms would be delivered to Grenada only by Cuban ships through Cuban ports. And although the Soviet Union was providing the arms and training free of charge, the Soviet Union required the Grenadians to keep all military arrangements secret and delayed the opening of a Soviet Embassy in Grenada until 18 months after entering into such arrangements.

Broader Lessons

Perhaps the first and most basic lesson of events on Grenada is that Cuban activities are not as benign as Fidel Castro would have us believe.

We have been regularly accused of exaggerating the dangers of Cuban/Soviet activities in countries like Grenada. However, what we found in Grenada suggests that, if anything, we were guilty of *understating* the dangers. We now know that we had underestimated Soviet use of Cuba as a surrogate for the projection of military power in the Caribbean. Examine again what we found—well-armed Cubans called construction workers; fortifications; stockpiled weapons; secret military treaties; personnel from Eastern Europe, Africa, and East Asia, all innocently enjoying a tourist paradise no doubt.

Think again about the facilities that all this would have secured—the Point Salines Airport, which would have enabled a MiG-23 carrying four 1,000-pound bombs to strike and return from Puerto Rico in the north to Venezuela in the south; the Calivigny military training area; a 75,000-watt radio transmitter capable of blanketing the entire Caribbean Basin; the potential for a deep-water harbor.

In light of this evidence, many Americans—and not a few Europeans—might productively reassess their estimate of the security concerns of the American Government and of the non-communist countries of the Caribbean Basin.

A second, related point worth thinking about is what happened to Maurice Bishop. His experience graphically shows what could happen to those who put their faith in military assistance and advisers from Cuba and the Soviet Union, but then try to remain non-aligned. The threat to their freedom and survival may well come from the very system their friends have helped them put in place.

In the wake of Bishop's murder, Suriname expelled the Cuban Ambassador and 100 Cuban "technicians." The nine *commandantes* of Nicaragua might also wish to ponder their relationship with their Soviet and Cuban mentors.

A third lesson, and again one of particular importance for the Sandinistas, is that in the absence of democratic institutions and legal safeguards, policy differences tend to degenerate into violence. The way to end such violence is to fulfill their original promises of democracy and free elections.

A final lesson of the events in Grenada is that neighbors have a clear, ongoing responsibility to act in ways consistent with each other's legitimate security concerns. In Nicaragua, for example, Sandinista willingness to negotiate seriously, to reduce reliance on military power, and, most importantly, to stop belligerent behavior toward their neighbors would represent the high road to peace in Central America.

U.S. Policy in Central America

Taken as a whole, what these lessons imply for Central America is that we must focus our resources on finding more creative ways to foster democratic development and regional cohesion. It is for this reason that we are firmly committed to a comprehensive approach to that region's conflicts.

As President Reagan told a special joint session of Congress on April 27, our policy in Central America is based on four interlocking elements—democracy, development, dialogue, and defense.

Our policy is to actively support democracy, reform, and human freedom in Central America—as much for El Salvador and Guatemala as for Nicaragua.

The United States supports economic development and is devoting three times the funds to such development than to military assistance. The Caribbean Basin

Initiative, I should note, is as open to Nicaragua as to Costa Rica and Honduras.

We support dialogue and negotiations—the internal dialogue of democracy in each country and the multilateral negotiations of nations honestly trying to live peacefully with each other.

And we have and will continue to provide what the President has called a security shield against those who oppose democratization, economic development, and diplomacy.

In the interests of settling the conflicts in Central America before they reach a crisis stage, the United States is quietly but firmly supporting the regional Contadora process. It is no coincidence that the consensus of the nine countries involved about what is required for peace in Central America is parallel to our own. We support—as do Nicaragua's neighbors, especially the "Core Four" countries of Costa Rica, El Salvador, Guatemala, and Honduras—an end to terrorism, destabilization, and guerrilla warfare; a reduction of military forces and armaments; political reconciliation through free elections and respect for human rights; the removal of foreign troops and military advisers; and the commitment of resources more for economic development and reform than for military buildup and destruction.

What this all adds up to is that the United States is pursuing a responsive and responsible role in this entire region. I believe that we have the confidence to do so, even in the face of violence and uncertainty, because we had already learned what may be the underlying lesson of the collective response to the Grenada crisis: the best source of knowledge about an area is the people of that area—those most directly concerned with what is happening in their own neighborhood.

What Prime Minister Charles and the others told us while the Grenada crisis was building proved to be accurate. The Caribbean leaders faithfully reflected the feelings, the concerns, and hopes of the Grenadian people—and, may I add, of the U.S. citizens there as well. We listened to Grenada's neighbors, and we are doing the same thing in Central America. Our policy is responsive to Central American opinion polls, the statements of respected democratic leaders, and the Contadora "Document of Objectives." And we are responding in the Caribbean Basin Initiative: we listened when Latin and Caribbean economists told us that they wanted "trade not aid."

Leadership means listening and acting intelligently on what is heard. That is what we did in Grenada. That is what we are doing in Central America. And I believe the American people are coming to understand what their government is doing and why.

Document 667

Letter From President Reagan to the Speaker of the House of Representatives (O'Neill), December 8, 1983 [57]

"U.S. Marines and U.S. Army Rangers Have Now Been Withdrawn From Grenada"

DEAR MR. SPEAKER: In accordance with my desire that you be kept informed concerning the situation in Grenada, about which I reported to you on October 25, [58] I am providing this further report on the presence of United States Armed Forces in Grenada.

Since then, the circumstances which occasioned the introduction of United States Armed Forces into Grenada have substantially changed. On November 2, the armed conflict in Grenada came to an end, and our task now, together with neighboring countries, is to assist the Grenadians in their effort to restore and revitalize their political institutions in a stable security environment.

Although it is still not possible to predict the precise duration of the temporary presence of United States Armed Forces in Grenada, our forces are continuing to work closely with other components of the

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[57] Source: White House Press Release, December 9, 1983, Office of the Press Secretary to the President; printed also in *Weekly Compilation of Presidential Documents*, December 12, 1983, pp. 1667–1668. An identical letter was sent to the President pro tempore of the Senate, Strom Thurmond.

[58] See document 659.

collective security force in assisting the Grenadian authorities in the maintenance of conditions of law and order and the restoration of functioning governmental institutions to the island of Grenada.

All elements of the U.S. Marines and U.S. Army Rangers have now been withdrawn from Grenada; at this time, less than 2,700 U.S. Armed Forces personnel remain on the island. U.S. Armed Forces will continue to withdraw from the island as a part of a process whereby a peacekeeping force, composed of units contributed by friendly countries, takes over these responsibilities. I anticipate that this will be accomplished in the near future and that any members of the U.S. Armed Forces remaining in Grenada thereafter will have normal peacetime assignments, such as training, local security and the furnishing of technical services.

I am satisfied that the objectives of our operation in Grenada, including the protection of U.S. citizens, are being met successfully because of the valor and effectiveness of our forces. I ask for your continuing support as we strive to assist the people of Grenada in their efforts to restore peace, order, and human rights to their island.

Sincerely,

RONALD REAGAN

D. South America

Multilateral Developments

Document 668

Testimony by the Assistant Secretary of State for Human Rights and Humanitarian Affairs (Abrams) and the Deputy Assistant Secretary of State for Inter-American Affairs (Michel) Before Two Subcommittees of the House Foreign Affairs Committee, October 21, 1983 [1]

"Our Human Rights Policy Has Been a Force for Good Throughout the Southern Cone"

MR. ABRAMS. Thank you, Mr. Chairman. [2]

I am pleased to be here today to discuss with you the human rights situation in the Southern Cone of Latin America, a region which has always been of particular interest to Americans. I shall be as brief as possible in my opening remarks, so as to provide more time for questions.

Let me begin with Paraguay, about which I think I will have a little bit more to say in the opening remarks than Mr. Michel. We will try not to be too repetitive.

As you know, Paraguay has been ruled under the state of siege provisions of the constitution almost continuously since 1929. President Alfredo Stroessner, an army general, has governed Paraguay since 1954 under these provisions. His rule is based on the military, and is exercised through the Colorado Party. Presi-

[1] Source: *Human Rights in Argentina, Chile, Paraguay, and Uruguay: Hearings Before the Subcommittees on Human Rights and International Organizations and on Western Hemisphere Affairs of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1984), pp. 142–146, 157–158, 170, 179–184; for Abrams' prepared statement, see *ibid.*, pp. 147–157; for Michel's prepared statement, see *ibid.*, pp. 159–169.

[2] Representative Gus Yatron.

dent Stroessner is widely believed to be genuinely popular among large sections of the population, though his popularity has never been put to the test in free elections. The opposition parties are kept under control and given little opportunity to conduct a real election campaign. Only members in good standing of the Colorado Party can participate fully in the political process, such as it is.

The human rights safeguards in the Paraguayan Constitution frequently are not upheld. The judiciary, while formally independent, does not serve as an effective check on the actions of the executive. Constitutional guarantees such as protection of the integrity of the individual, the need for judicial warrants, freedom of assembly and association, the right of habeas corpus, and a prompt and fair trial for the accused often are ignored by Government officials. While the state of siege is legally in force only in the capital, security officials operate as though it existed throughout the country.

Major violations of the integrity of the individual in Paraguay have decreased since the mid 1970's. However, there were increased detentions and no improvement in the areas of political rights and individual liberties in the last year or so. The major current human rights issue is the continued detention of 3 remaining members out of about 20 persons arrested in May and June for violation of Paraguay's elastic antisubversive law 209, in connection with the Banco Paraguayo de Datos, a research organization.

Over the past 3 months the Government has released most of the detainees, but three still remain in detention. Two of those detained are believed to have been tortured by the police during their initial interrogation.

Other human rights problems of current concern are occasional instances of Government censorship of the press and radio, such as the closing down of Radio Nanduti on July 9 for 30 days, and the arrest of a columnist for the newspaper ABC Color. We are also concerned about the issue of forced exiles. On the positive side, however, we were pleased that last year's County Report for Paraguay was published in the Paraguayan press. [3] It must also be acknowledged that President Stroessner's rule has brought relative stability and economic growth to Paraguay, though at considerable cost to individual rights and political liberties. Freedom House, in its 1983 report covering 1981, classified Paraguay as partly free. [4]

The United States has used its influence in Paraguay to encourage as great a degree of liberalization as possible. We have worked quietly but steadily on specific human rights cases. And we have made it clear that we favor steps now toward a more open and democratic society.

Let me turn now to Uruguay. Mr. Michel will go into more detail. I just want to say a word about U.S. policy. United States human rights policy toward Uruguay is clear. As President Reagan stated on August 25, 1982, "As a staunch proponent of democracy, the United States warmly applauds Uruguay's decision to restore full constitutional government through national elections." Both the Department of State and our Embassy are in close touch with leaders of the political parties in Uruguay. These leaders know, and the Government of Uruguay also knows, that we strongly support the return to democracy, and that our bilateral relations will improve as the democratization process continues.

Let me move on, now, to the human rights situation in Argentina. The Argentine Armed Forces have held power since 1976. In the wake of severe and growing economic problems and Argentina's defeat in the Falklands conflict, the military government instituted major changes in 1982. The Government of President Reynaldo Bignone, installed on July 1, 1982, announced that it was a government of transition whose main task was to oversee the return to democracy. The Government has scheduled municipal, provincial, and national elections for October 30, just 9 days from now.

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[3] A reference to *Country Reports on Human Rights Practices for 1982: Report Submitted to the Committee on Foreign Affairs, House of Representatives, and the Committee on Foreign Relations, U.S. Senate, by the Department of State in Accordance With Sections 116(d) and 502B(b) of the Foreign Assistance Act of 1961, as Amended*, Joint Committee Print, Ninety-eighth Congress, First Session (Washington, 1983), pp. 601–610.

[4] A reference to *Freedom in the World: Political Rights and Civil Liberties*, edited by Raymond D. Gastil, a report issued each year by Freedom House, a private human rights organization.

In addition to the election of 600 electors who will choose Argentina's President, some 254 deputies and 46 senators are to be elected, the deputies directly and the senators indirectly by the provincial legislatures. The electors will then meet on November 30 to elect the President and Vice President who are due to be inaugurated on January 30, 1984—although that date may be moved closer. [5]

Since late 1982, there has been a significant upsurge in political activity in Argentina. Political parties, including the Communist Party, have staged large rallies and human rights groups have held demonstrations. The political debate has been free and open, and all sides have had full access to the media. Press restraints are practically nonexistent, and controls of the largely government-owned electronic media are less onerous than at any time since the 1976 coup. The judicial branch displays independence and its strictures on the executive are observed. Trade union freedom is greater than at any time in the recent past, and strikes, including national strikes, occur although they are technically illegal.

The situation regarding individual rights in Argentina has also shown dramatic improvement. There were no reported disappearances for the last 2 years and only three politically motivated killings occurred this year. Detentions for national security of political prisoners have virtually ceased. National security or political prisoners held under PEN, or executive authorization, were reduced sharply, with 425 freed in 1982, and about 100 freed so far in 1983.

I would like to point out that the situation in Argentina, where elections will be held in 9 days, is still evolving and improving. Since I submitted my written statement to the committee, it has been reported that the Government of Argentina has announced that it will release or charge the remaining 243 PEN detainees, those persons held without charges under the National Executive Power.

Of the 243, 67 persons now in prison will be released; 63 will be turned over to the Ministry of Justice because their cases in court are pending or they have already been sentenced by a court; and 113 who are already out of prison, but under a status similar to our parole, will be given complete freedom.

If these reports are accurate, once these steps have been taken, there will be no more PEN prisoners in Argentina.

Human rights groups and some political parties in Argentina have concentrated their activities on efforts to force an accounting for past disappearances—estimates of which range from 6,000 to 30,000—and to punish those responsible. In April 1983, the Government of Argentina issued a report stating that all the remaining disappeared are either dead, abroad, or in hiding. The report was widely criticized both in Argentina and by European governments. We expressed our disappointment that an opportunity had been lost to resolve this problem. [6]

This issue of the disappeared is the most controversial and sensitive human rights issue remaining, and is central to the future of Argentina's politics. Most human rights groups say that recorded disappearances are between 6,000–7,000. Some 6,600 families have petitioned the Government for information concerning the fate of their relatives. Especially poignant are the cases involving several hundred young children who have disappeared. I recognize that the unresolved issue of disappearances has come to symbolize the horrible brutality of the dirty war in Argentina. The mothers of the Plaza de Mayo remind us, each time they appear, of how many innocent people were tortured, or jailed, or killed, how many families torn asunder or destroyed forever by violence and inhumanity. At the same time, I believe this issue, agonizing though it surely is, is one which the Argentine people themselves will have to come to grips with. It is not an issue for foreigners to decide.

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[5] Dr. Raúl Alfonsín of the Radical Civic Union was elected President on October 30, 1983, with 52 percent of the vote and was inaugurated on December 10, 1983. A U.S. delegation headed by Vice President George Bush attended the inauguration ceremonies.

[6] At the Department of State Daily Press Briefing, May 17, 1983, Department of State Spokesman John Hughes stated, in regard to the April 1983 Argentine report on the "disappeared": "We share the sense of disappointment others have expressed that an occasion has been lost to begin the resolution of this question. It is an issue which the Argentines themselves must resolve. We have consistently encouraged the authorities to provide as complete a report as is possible on the fate of the disappeared."

Finally, let me turn to Chile. Again, Mr. Michel will have more to say in describing developments there. As to positive developments, some 3,591 Chilean exiles have been permitted to return. Some lessening of censorship has occurred. Of major importance is the Government of Chile's initiative in undertaking a dialog with the moderate political opposition to define the transition to democracy.

On September 16 of this year, the Government of Chile re-established the right of citizens to assemble, and to hold peaceful marches without Government authorization. The courts have become somewhat more independent, and the Government of Chile has increasingly resorted to them. On August 26, the state of emergency, which gave the Government extraordinary authority to deal with what it considered an extremist threat, and which has been extended every 3 months, was lifted.

On the negative side, however, we continue to receive credible reports of violence and torture by the police and security forces. While the state of emergency was lifted on August 26, the less restrictive "State of Danger of the Disturbance of Internal Peace," as it is called, remains in force. Trade union rights are still restricted. Many of the Chileans living in imposed or voluntary exile—total figures range from 10,000 to 30,000—have either not yet been permitted to return, or have not received adequate guarantees of their safety.

Some censorship still clearly exists. Political parties remain formally illegal, although some political activity and considerable criticism and press discussion are tolerated. The practice of internal exile for opponents of the regime continues. While the possibility of advancing the date for congressional elections has been publicly mentioned, no timetable for a return to democratic government has yet been established other than the 1989 plebiscite provided for in the 1980 constitution. Finally, demonstrations protesting economic and political conditions have continued, resulting in numerous arrests and credible reports of police violence.

Our own policy is clear, to encourage greater respect for human rights, and a return to democracy in Chile.

Let me conclude my remarks by observing that we believe that our human rights policy has been a force for good throughout the Southern Cone. Throughout the region, the United States has made clear our commitment of human rights and a return to democracy.

Thank you.

MR. YATRON. Thank you very much, Secretary Abrams.

MR. YATRON. Our next witness is the Honorable James Michel, Deputy Assistant Secretary of State for Inter-American Affairs.

Mr. Michel, will you please proceed?

MR. MICHEL. Thank you, Mr. Chairman, and Chairman Barnes. I have submitted a prepared statement and would ask that that be included in the record.

MR. YATRON. Without objection.

MR. MICHEL. With your permission, I would like just to summarize that and not repeat the description of the individual country situation in each of the four countries.

MR. YATRON. Without objection.

MR. MICHEL. I am pleased to appear before your two subcommittees, in response to your request, to discuss the human rights situations in Chile, Argentina, Paraguay and Uruguay.

As you know, a vigorous election campaign is underway in Argentina with elections scheduled for October 30. These national elections are the first that country has seen in about 10 years. And I would urge upon you the need for assuring that these public hearings do not become an election issue in Argentina.

American policy flows from our national interests, including the furtherance of our ideals. It makes sense, therefore, to reflect on what our interests are in South America, and how they interact. In a region such as the Southern Cone, it is not surprising that the United States has a number of interests—political, economic, and strategic. Some are immediate while others are longer term. Obviously, they vary in importance and will shift somewhat over time, in response to evolving U.S. priorities and to changing circumstances. Our policy must seek to take account of all of our interests, immediate, long term, political, economic, and strategic.

In the Southern Cone, as elsewhere, promotion of human rights and democratic government represents an integrating dimension in our relations, reflecting both the policy of the executive branch and, Mr. Chairman, as you indicated in your initial remarks, the will of the Congress as reflected in our law.

As President Reagan said on April 27 in a joint address before the Congress, and I quote:

> "We will support democracy, reform and human freedom. This means using our assistance, our powers of persuasion, and our legitimate "leverage" to bolster humane democratic systems where they already exist and to help countries on their way to that goal as quickly as human institutions can be changed. . . . We will work at human rights problems, not walk away from them." [7]

That is the end of the quote.

The President was speaking of Central America. But his statement expresses precisely the intent of U.S. policy throughout the Hemisphere, including South America.

In all four countries under discussion, the issues of promotion of democratic institutions and protection of human rights are matters of great sensitivity. These issues have been at the crux of our relationships with these countries for a number of years. And they will remain so.

One of the basic tenets of U.S. foreign policy is that democracy is fundamental to the advancement of human rights. Democratic institutions, such as regular elections, a free press, an independent judiciary and the right of individuals to organize themselves to promote their well-being and individual interests, provide the best guarantees that Governments will not abuse the freedoms and rights of the individual. Under democratic systems, a watchful press and the right of the individual to redress wrongs through impartial courts and fair elections are powerful weapons to insure that human rights are respected. Progress toward democracy and an improved human rights environment varies widely in the four countries of the Southern Cone.

[7] See document 623.

In Argentina, a new democratic government is on the verge of being elected and installed. In Chile and in Uruguay, a transition is clearly underway. In Paraguay, no progress toward democracy is evident. Our policy toward the countries of the region must take into account their different circumstances, but it is fundamentally consistent for all of them. We encourage change in the direction of an improved human rights environment and support the development of democratic institutions as the best guarantee that individual rights and freedoms will be protected for the long run.

In our view democratic institutions are also our best bet for assuring stability and peace in the region.

Thank you, sir.

MR. YATRON. Thank you very much, Secretary Michel.

Secretary Michel, going to Chile, Chairmen Bonker, Barnes, and I, on September 28, wrote to Secretary Shultz expressing our concern that the United States concluded a new OPIC agreement with Chile despite that country's despicable record on human rights. Yesterday we received a reply to that letter, which we will include in the record at this point without objection. [8]

MR. YATRON. The letter says, that there is no commitment, to issue new insurance in Chile but that applications are pending. State must advise OPIC on human rights implications of proposed insurance. In view of Chile's record, which has worsened recently, I would hope you would recommend against issuance of any insurance. Would you comment?

MR. MICHEL. Well, I can't give you, Mr. Chairman, an assurance that we would have a blanket rule of recommending against any and all cases. Your views will certainly be given serious consideration. We will look at these applications as they arise. As the letter to you indicated, the agreement does not indicate an approval of any individual insurance project and we will look at those on an individual basis.

[8] For text of the Bonker, Barnes, and Yatron letters, Secretary Shultz's reply, and the new OPIC agreement with Chile, see *Human Rights in Argentina, Chile, Paraguay, and Uruguay*, pp. 171–178.

MR. YATRON. Can you tell me what specific actions the Reagan administration has taken in response to recent events in Chile?

MR. MICHEL. Are you referring to the political dialog?

MR. YATRON. Yes.

MR. MICHEL. Well, we have sought through both public and private statements to encourage this dialog. We think that it is a very promising event in the evolution of Chilean Government that the present government has initiated with the Democratic Alliance, a group of some 11 opposition groups, a dialog that is looking toward the return of democracy to Chile. As a part of this I think it is an important factor that the Government of Chile has allowed the return to that country of a number of exiled persons who were political leaders in the past and who have leadership skills, and will be in a position to carry on this dialog in a manner most conducive to its achieving some progress, and moving Chile closer to democratic government.

We sought to support that progress. We have said we encourage it in our public statements. We have privately made statements of encouragement to the Government of Chile.

MR. YATRON. Would you care to comment on the recent disappearances, and also some of the recent demonstrations against the Government?

MR. MICHEL. Well, the demonstrations I think are something that we have a mixed reaction to. The expressions of dissatisfaction on the part of the Chilean population have no doubt contributed to the willingness of the Government to engage in the dialog in which it—which it has initiated. At the same time, there have been indications of extremists' efforts within these demonstrations to turn them to violence. And I am sure in some cases with the intention of provoking a reaction on the part of the Government that can undercut the efforts of moderate forces on both sides of this dialog, and erode it.

So public demonstrations, peaceful demonstrations that encourage and further a process of dialog and peaceful transition we think are a good thing. And extremist efforts to turn these demonstrations into violence and to polarize the Chilean body politic obviously are something that we view with concern.

MR. YATRON. I would like to ask Secretary Abrams, we have had reports of increased torture. I would like to know what the Department has done about that.

MR. ABRAMS. I don't think, Mr. Chairman, we have seen reports of increased torture. This has been a constant thread throughout Chilean life for years now. We have made it clear as we can not only in public statements but a very large number of times in private conversations with officials of the Government of Chile, how we feel about that. That is, the revulsion that we feel about that. And we have often commented that it seems to us that one of the first steps a civilized government should take is to insure that that stops. But the Government of Chile has not done that.

I certainly think that there can be no doubt in their mind as to the way we view that practice. They have heard it over and over again, and they have heard it from high levels in the U.S. Government.

MR. YATRON. Is the opposition movement larger now in Chile than at any other time under Pinochet, and if so, why? And how close is Chile to a major civil war?

MR. ABRAMS. I think the opposition is certainly more public now than it has been. Of course, it has been difficult to gage. As in any dictatorship, it is difficult to gage exactly how strong the opposition is because there is no way to express it through elections. I think it is clear that the faltering economy of Chile has had an impact on the political situation there. This is true of a number of other countries as well.

It has decreased the popularity of the Government, and has increased the amount of opposition, and is the willingness of people to express their opposition. Certainly, there is more vocal and public opposition to the Government than has been the case since it came to power. I don't think Chile is on the verge of civil war at all, because there is I think a consensus among, what shall we say, Democrats in Chile that that is not the route to go; that is to say, violence. Rather, that negotiations, that the dialog that is underway should be continued so that peaceful change toward democracy can take place.

MR. YATRON. Thank you. Chairman Barnes.

MR. BARNES. Thank you, Mr. Chairman.

Gentlemen, there was a report the other day in the paper about renewed incidence of anti-Semitism in Argentina. Can you give the subcommittees any information you may have about that situation?

MR. ABRAMS. There has been an increase, I believe, in incidence of anti-Semitism. As far as we can make out, these incidents are not Government sponsored. They seem, rather, to be something that shows its face publicly at a time when the authority of the Government is reduced. In past years the government has actually prevented a number of outbreaks of anti-Semitism, as any civilized government should. And there were in the period, for example, shortly before the Falklands war a number of gestures by General Galtieri, in fact, toward the Jewish community before and during that war. So it was crystal clear that the Government; for example, under him was not only not encouraging but was discouraging anti-Semitic activity.

Now, they are really late in a transition period, 9 days from election, uncertain when the transition will be but within a couple months and authority of the government is much reduced. And apparently, people who want to engage in anti-Semitic violence feel now that they can do so without fear of much Government action. And that is what they are doing.

MR. MICHEL. I might add that there are, within the Jewish community in Argentina, hundreds of thousands of individuals who maintain synagogues, schools, social organizations, and so forth, free from any government restraints or interference. And that the recent incidents that have been reported in the press have been publicly condemned by the Presidential candidates. So I think everything that I know supports the judgment that there is no Argentinian Government policy of anti-Semitism, and racial and religious hatreds are things that crop up unfortunately just about everywhere, and for our part, let us take the opportunity of this hearing to say we abhor such incidents, wherever they occur.

MR. BARNES. Well, I think it is useful that you do take this opportunity and every opportunity possible. I had the chance earlier this year with some colleagues from the House to meet with Jewish leaders in Buenos Aires, and your description of the situation there I think is basically correct. But it is important for people all over the world when incidents such as this take place to make it clear that it is unacceptable.

As you say, we deplore it. You have both made eloquent statements about the commitment of the United States to democratic institutions and the democratization of the Southern Cone. We have got a difficult situation right now that is underway in Chile. What specifically has the Embassy in Santiago been doing over the past couple months to demonstrate that commitment of the United States toward democracy?

For example, is our Ambassador and are our key people in the Embassy meeting with opposition leaders? Are we taking specific steps to demonstrate openly in Chile that the United States stands for democracy and political progress for the people of that country? What are we actually doing?

MR. MICHEL. Well, the kinds of activity that you mention as examples in your question are the kinds of activity that have been undertaken in fact. The American Ambassador in Chile has met with labor leaders and with opposition members, including, I believe, labor leaders who had been accused of actions that violated, I believe, the censorship laws, and have been released by the courts. I think this is a clear indication of our support for furtherance of the trend toward democracy in that country.

Our own public statements in Washington have commented favorably on the steps that the Government of Chile has taken in authorizing the return of exiles and terminating the censorship of books and in engaging in a dialog with the Democratic Alliance. The transition toward democracy is something that we have emphasized in both public and in private statements.

MR. ABRAMS. Let me add that these kinds of activities at the level I think you would want are going on. Ambassador Theberge, for example, meets with, has dinner with, talks to people like Gabriel Valdez. The director of the Office of Human Rights in my bureau, seated right behind me, has just come back from a trip to the four countries which we are discussing today. One of the purposes of his trip

was information gathering but another was his symbolic presence there.

I think we are making it clear, and it is clear both to the Government of Chile and the opposition groups, I think, that we strongly support the dialog and transition to democracy.

MR. BARNES. What about the labor leaders who have been subjected to harassment, arrest, persecution? What actions has the Embassy taken to demonstrate, if I may use the term, our solidarity with people who are trying to exercise their rights to form free labor movement?

MR. ABRAMS. Well, both publicly and privately we have made statements about our views of the right to organization and bargain collectively. The incident which Mr. Michel mentioned I think is an important one because there was a moment, it is a couple months ago now, when three labor leaders were essentially attacked by the Government, and almost simultaneously were invited to the Embassy to meet the Ambassador, which is a real gesture of solidarity which shows that we essentially discredit the charges against them.

But as with the opposition leaders, we have been in good communication with them. And also I might say with the AFL–CIO and AIFLD about their activities in Chile as well.

MR. BARNES. Well, I think it is terribly important that our Government in every possible responsible way makes clear that we stand for democracy, and that we are not supporting the kind of repression that the people of Chile have been subjected to. If there is a lesson that we can learn from other comparable situations, it is that when it is over—and I frankly hope it will be over a lot sooner than the Constitution of Chile calls for it to be over—that we don't want it to be perceived that we were part of the problem.

We have been through that too many times. In addition, I hope that as soon as the civilian government is elected in Argentina and during the transition period and particularly as soon as they have taken office, that the administration will take some very tangible steps and move quickly to demonstrate that we are prepared to support that new fledgling civilian government, new democracy in Argentina, and that we can develop a new working relationship with the people of that country.

One specific thing that I know the Argentinians would like to see from the United States is increased emphasis with our friends the British, on a willingness to sit down and try to work out a future for the Malvinas/Falkland Islands. That might be something that we could be working on in advance of the new government taking office.

Thank you, Mr. Chairman.

MR. YATRON. Thank you, Chairman Barnes. Mr. Lagomarsino?

MR. LAGOMARSINO. Thank you, Mr. Chairman.

I think the latter comments of Mr. Barnes are very appropriate, and I am sure that that is something that you and we will all be looking into. And I especially appreciate your opening comment about Argentina. I think, with the situation such as it is there, it is very important that we not contribute in any way to things that could make for last minute campaign charges or anything like that that might affect the election, and would go exactly the opposite from what we want to do there.

Mr. Michel, are you optimistic or pessimistic about the future in Chile?

MR. MICHEL. That is a very tough one. I am, on balance, optimistic for about three reasons. One is, we see going on in Chile, although it has its stops and its starts and its interruptions, but there is going on now a process in which the Government and responsible opposition groups are engaged in a dialog that is for the purpose of facilitating the transition to democracy. So the facts are moving in that direction.

Second, Chile has a history of democracy that is remembered by many of those who are engaged in this process, and I think that helps to give it another, a little bit of a catalyst that helps to move that process.

Third, I think that, and this is more philosophical than it is evidentiary, but I think that history is moving in the direction within this Hemisphere toward democracy. I think that the policy that we have enunciated here, that the President has enunciated in the past of support for democracy is on the right track, and I think that events in the Hemisphere with elections in the Dominican Republic and

Brazil, in El Salvador, and Honduras, with elected governments present in Venezuela, Colombia, Bolivia, Ecuador, Peru, all of the Andean countries and so forth, suggest that this is what the people want. They want a participatory role in their government, and that combination of factors make me more of an optimist about the situation.

MR. LAGOMARSINO. Thank you.

MR. YATRON. Thank you, Mr. Lagomarsino.

Gentlemen, because of a series of votes on the floor, I think we will recess shortly. I would like to ask two questions dealing with Argentina. If you can provide the answers, we would appreciate it. We only have a few moments here but whoever wants to comment, with respect to a possible certification of Argentina, I think that many observers would agree that certain of the requirements generally be fulfilled. [9]

However, there is serious doubt about the adequacy of the efforts thus far made by that Government to provide information on the disappeared. Now, what are the criteria that you have established that would characterize an adequate Argentine response in this area?

MR. MICHEL. Mr. Chairman, the statute on certification requires that the President determine that there has been significant improvement in the human rights situation in Argentina, and in making that determination, that he take into account the situation of the political prisoners and the disappeared. It then requires that he make a judgment that it is in the national interest. The question of certification is a matter under consideration within the executive branch, and there really are no criteria, rather, these are facts which the President must take into account at the time that he considers the issue of a certification.

MR. YATRON. With further respect to a possible certification of Argentina, I am concerned about the factors that will go into your decision. Obviously, you don't have to certify, but assuming that you are in a position to certify, then what are the criteria involved? Certainly one is timing. Another is how certification relates to decisions to actually permit assistance. A third and important criteria is how certification might impact on the delicate balance between a new civilian government and the military.

Now, I would assume we want any impact in Argentina of a certification to strengthen the new democratic government and its relation to the military and not the other way around. Could you briefly comment on that question?

MR. MICHEL. I don't think there is any more to say about that question. Our policy as we have said is very much to support democracy. And how that general policy relates to the particular timing or question of certification is one that has to be looked at, as I suggested at the outset of my testimony, against the context of, or totality of interests in the region, assuming that, once it is decided that the legal statutory criteria are met. And that policy will be an important factor, certainly.

MR. YATRON. Do you have any other questions?

MR. BARNES. No, thank you.

MR. YATRON. We want to thank you, gentlemen, for being here today.

The subcommittee stands adjourned until further call of the Chair. Thank you.

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[9] Regarding the issue of certification of Argentina's eligibility for U.S. security assistance, see *U.S. Policy Toward Argentina: Hearing Before the Subcommittee on Western Hemisphere Affairs of the Committee on Foreign Affairs, House of Representatives, Ninety-eighth Congress, First Session* (Washington, 1983); and *infra*.

Argentina

Document 669

Memorandum From President Reagan to the Secretary of State (Shultz), December 10, 1983 [1]

Argentine Certification

Pursuant to Section 725 (b) of the International Security and Development Coop-

[1] Source: Department of State files.

eration Act of 1981,[2] I hereby determine and certify:

(1) that the Government of Argentina has made significant progress in complying with internationally recognized principles of human rights, and

(2) that the eligibility of Argentina for the provision of security assistance and the transfer of defense articles and defense services, and the provision and transfer thereof, in accordance with the Foreign Assistance Act of 1961 and the Arms Export Control Act, are in the national interests of the United States.

This determination, together with the justification therefor, shall be reported to the Congress. This determination shall be published in the *Federal Register*.

RONALD REAGAN

[ATTACHMENT]

MEMORANDUM OF JUSTIFICATION

Introduction—Section 725 (b) of the International Security and Development Cooperation Act of 1981 (Public Law 97-113) permits provision of security assistance to Argentina under certain circumstances. This provision replaces the prohibitions contained in former Section 620B of the Foreign Assistance Act, on provision to Argentina of assistance under Chapter 2 (Military Assistance Program), Chapter 4 (Economic Support Fund), Chapter 5 (International Military Education and Training) or Chapter 6 (Peacekeeping Operations) of Part II of the Foreign Assistance Act, as well as the extension of credits, sales or export licenses to Argentina under the Arms Export Control Act.

The activities otherwise prohibited by Section 725 may be carried out only if the President has submitted to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate a detailed report certifying that:

(1) The Government of Argentina has made significant progress in complying with internationally recognized principles of human rights, and

(2) The provision of such assistance, credits, loan guarantees, defense articles, defense services, or export licenses is in the national interests of the United States.

In the process of making this certification, among other things, the President is to consider efforts by the Government of Argentina to provide information on citizens identified as "disappeared" and to release or bring to justice those prisoners held at the disposition of the National Executive Power (PEN).

In the attached determination and this report, the President makes this certification, thus removing the prohibitions contained in Section 725.

Human Rights—Argentina has made dramatic progress in improving its human rights environment in recent months and in overcoming the problems of the last decade. In the 1970s, Argentina was beset by rampant terrorism from both extremes of the political spectrum.

On March 24, 1976, an elected civilian government in Argentina was overthrown by the Argentine Armed Forces. This action was justified by the military as necessary because the existing government appeared to the military to be incapable of dealing with the problems of terrorism and inflation.

In the years immediately following the military takeover, the government greatly expanded efforts to crush extremist groups. While this campaign was largely successful in reducing leftist terrorist activities, major violations of human rights and individual liberties took place. Freedom of the press was severely restricted. Political party and trade union activities were suspended and freedom of assembly denied. Many people were arrested and held by the security forces without due process; thousands simply disappeared and are presumed to be dead. Torture was widely practiced.

Following a government announcement in early 1978 that the so-called "dirty war" against terrorism had been won, the number of human rights violations began to decline sharply, but the human rights situation remained serious.

In July of 1982, in the wake of the South Atlantic conflict, a new military government was installed, headed by President Reynaldo Bignone. The new government announced it was a government of transition whose main task was to oversee

[2] P.L. 97-113; for text, see 95 Stat. 1519.

the return to democratically elected government in Argentina. Under President Bignone, the new government:

—lifted the ban on political activity;

—promulgated a new political parties law;

—announced that national elections would be held in late 1983, with inauguration of a democratically elected Congress and President to take place early in 1984;

—gradually removed restrictions on the press and other media;

—relaxed constraints on trade union activity;

—lifted the state of seige and released or remanded for trial by civilian courts all those held without charges under the National Executive Power (PEN prisoners); and

—took measures which reduced sharply the number of reports of human rights violations by the security forces.

As a result of these measures the situation, with respect to human rights and individual freedoms, improved dramatically in Argentina. The stage was also set for a return to democratic government, a move that would help institutionalize the political and human freedoms of individual Argentines. In addition, there have been no permanent disappearances in the last three years.

On October 30, the Argentine people went to the polls and elected a President, Vice President, Congress and some 14,000 other officials in open, honest and fair elections. The new government is being installed on December 10. The campaign leading up to the actual elections was orderly and hotly contested.

The most controversial human rights issue with which the Argentines themselves must deal is the question of accounting for the thousands of people who were arrested by government security forces and who subsequently disappeared, mostly during the late 1970s. Estimates on the number of people involved range from 6,000 to 30,000. The military governments that ruled Argentina have never rendered a satisfactory accounting.

The United States has deplored the violations of basic human rights that occurred during the 1970s in Argentina, including the thousands of disappearances. The United States has also continuously encouraged the Argentine Government to provide as full an accounting as possible on the disappeared to the Argentine people. When the Argentine Government's report on the disappeared, released in April, did not provide a satisfactory accounting, the United States expressed its disappointment that an occasion had been lost to begin the resolution of this question.

Another controversial internal political issue is the Argentine Government's decision to issue an amnesty decree on September 23, granting immunity to all those who may be liable to legal prosecution for acts committed during the "dirty war." This decree has been widely criticized, and has been declared unconstitutional by a number of Argentine judges. Both of these issues are the subject of much discussion within Argentina. The Alfonsin government has indicated that these issues will be addressed.

The process of improvement in the observance and protection of internationally-recognized principles of human rights accelerated as Argentina successfully made its transition to democracy. The inauguration of President-elect Alfonsin on December 10 represents a major step in this process. A democratically-elected government is one of the best guarantees of respect for human rights.

U'S National Interests —Restoration of Argentina's eligibility for security assistance and defense transfers removes an impediment to improved relations with the new, democratically elected government of one of the major countries in Latin America, thus setting the stage for cooperation on multi-lateral issues, peaceful efforts to resolve regional disputes, economic problems and nuclear non-proliferation. Conversely, to continue to "blacklist" Argentina when there has been significant human rights improvement would be to create an issue with the new government where one should not and need not exist.

Certification is consistent with our global support for democracy. Argentina has just held free and democratic elections with impressive popular participation. Certification would be a gesture of support for Argentina's return to democracy, and our support for strong democratic institutions in Argentina will have an impor-

tant impact in strengthening the regional trend toward democracy.

Certification is consistent with our global policy of support for human rights and individual liberties. To deny certification would be to deny human rights progress where such progress is clearly evident, reducing the credibility of US human rights policies worldwide.

Certification strengthens our ties with the Argentine military, enhancing our ability both to encourage cooperation on security and policies of mutual interest and to reinforce support for democracy and human rights policies.

In sum, certification supports important US interests and objectives in terms of our bilateral relationship with Argentina, our interests in the region of the Southern Cone, and global political and security interests.

Brazil

Document 670

Testimony by the Assistant Secretary of State for Inter-American Affairs (Motley) Before a Subcommittee of the Senate Foreign Relations Committee, September 28, 1983 [1]

The Situation in Brazil

MR. MOTLEY. Mr. Chairman, [2] I want to thank you for the opportunity to discuss one of my favorite subjects with you, Brazil. And one of the beauties of following somebody like Marc Leland and your distinguished panel is, if you want to avoid repeating what is said the best thing to do is to say nothing.

I think from reviewing Marc's testimony [3] and hearing the other ones, they have covered it very well. What I would like to do is, as you can see, make a few handwritten observations, filling in maybe some of the gaps, and concentrate more on the sociopolitical dimension of the problems and challenges that we all face.

I will just briefly recap for you. In 1964 the Government of Brazil faced economic and political chaos which it solved by letting the technocrats, who were very able, solve the economic problems while the government—that is, the military government—was able to maintain public order in a very difficult period of time. So first they cleaned up and then they built the economy, which led to what is sometimes described as an economic miracle.

The economy took a few hits, as they say, as it went along, especially the oil shocks that started a trend toward debt and other things that later exacerbated the problem. Later, the government also started on the political front a process toward a political opening, that is a redemocratization. And so you had the two going on parallel paths, but at different paces.

In 1981 the economic problems as outlined here came home to roost, many of them caused by external factors, but some of the internal factors or practices also started to appear. Then in 1982 you had an interesting thing happen: you had an election take place in Brazil in which over 53 to 54 million Brazilians went to the polls. This was a major step in the Abertura process.

As a result of this election what you had was, not only the opposition parties taking control of the Congress, but you had several states with governors that were in the opposition party. So from a political framework, right in the middle of this economic challenge that they face, they now had a whole different political arena on how to deal with this.

There were some 40 members elected who had been—the word in Portuguese is "cassado"; that means that their political rights had been taken away and their civil rights had been taken away in the 1964 to 1975 timeframe. And I think that in itself manifested the distance which this politi-

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[1] Source: *United States Economic Relations: Hearings Before the Subcommittee on International Economic Policy of the Committee on Foreign Relations, United States Senate, Ninety-eighth Congress, First Session* (Washington, 1983), pp. 41–44, 46–51; for Motley's prepared statement, see *ibid.*, pp. 44–46. Also testifying for the administration was Marc E. Leland, Assistant Secretary of the Treasury for International Affairs; for Leland's prepared statement, see *ibid.*, pp. 34–41.

[2] Senator Charles Mc. Mathias, Jr.

[3] See *United States Economic Relations*, pp. 32–34.

cal opening up of the Abertura process had gone toward redemocratization.

So you have then a belt-tightening going on, because they were aware of the problems that they were facing. At the same time you had a change in the political system in which the executive branch could not pull all of the strings, as it did in 1964 when it allowed the technocrats to get out there and get the fiscal steps done.

You faced another element that was a byproduct of the economic miracle. I think it was Fred Bergsten who talked about the heavy public sector involvement in the development of Brazil during that period.[4] What you have to a certain degree is what I would call in noneconomic terms a beachmaster syndrome during that period. As you know, Mr. Chairman, the purpose of a beachmaster is to get things on the beach. How many barges he loses in the process does not really matter. It is where effectiveness, not efficiency, becomes the driving force.

So when they started the belt-tightening, they found that quite a few measures had to be taken to make the public sector parastatal enterprises more efficient. And also, as Secretary Leland mentioned, the subsidy programs that were included, not only in agriculture, which were the biggest ones, but there were other areas, to push exports—those were areas where everybody agreed needed to be areas for belt-tightening.

Now what you had was a Congress that was taking a very heavy speaking part, one from a partisan point of view that was opposed to the executive branch. And so you had all of the dimensions of a democratic ebb and flow that we find in this country at different times.

Also, there was another element with regard to the concept with which the Brazilians view international lending institutions, and specifically the IMF. In the late fifties it was felt that Brazil might have to go to the IMF, and at that time a program was laid out. But when then-President Kubitschek found out the new moneys that he envisaged coming from the IMF could not be put forward to the building of the capital, which was his dream, discussions with the IMF ceased and the loan was not consummated. The agreement was not consummated.

As a net result of that, what built up in Brazil, I think it is a fair assessment to say, was kind of an antipathy toward the IMF. And in 1981 when they faced a crisis, or in 1980, they were able to take the required steps which might have been a condition that the IMF might have imposed—I think Marc would agree with me—but they did it themselves, mainly because of this public perception that going to the IMF was kind of a national humiliation that a country like Brazil did not have to do.

So you have to keep that in mind. When in 1982 they had to seriously consider going to the IMF, the government had to override this public perception that going to the IMF was a national humiliation that a country like Brazil should never have to do.

I think what we face now, briefly, is that there are several players on the scene, and Brazil, obviously, from an internal point of view has not only an executive branch and a Congress, but has people also. We have also the international banking community, who have been burdened more and more with the increasing debts of other countries; and the public institutions like the IMF, who have had a tremendous load placed on their backs lately.

I think that their challenge is to consider some of the political and social conditions that exist, and not just a pure numbers crunching. I am not chastising them for it. I think they are aware of it. But I think it is an aspect that they have to keep in mind that within many of these countries, and I think maybe also Brazil, they are going onto a third year of recession and there is a sense of austerity that is not new, as one might find in other countries.

Of course, then the central banks are there, the Federal Reserve and the other central banks. These are all of the players, and I think what it is going to take is—and it is moving in that direction. I think what it takes is where they all recognize and give a little as they put the program together.

Let me just say a word, and then I will stop and take your questions, Mr. Chairman, about the role that the United States played during this period of time, because one hears that it may not have done

[4] For Bergsten's testimony, see *ibid.*, pp. 2–8.

enough, it needs to do more. I can tell you, because I was intimately involved in it, that since early September 1982 when the Brazilians became aware that they were facing a major problem, of the discussions that took place between the appropriate people in the Brazilian Government and the Treasury people, including Secretary Leland and Tim McNamar and myself—we learned to live with each other for long days and nights throughout that whole period of time—and also with the Brazilian Government and with Paul Volcker and the Fed.

So there has been since that period of time an intense interest and I think some creativity and I think also some courage shown by the U.S. Treasury and other governmental entities.

Let me make one last point, Mr. Chairman, and this is in a sense a prognostication of the future ahead. Brazil learns very well from its lessons. It learned a lesson in the early sixties that, for one reason or another, they do not have a reliable arms supply. So they built an arms industry. They knew that they could not build an industry that would be sufficient enough just to supply their modest needs, so the net result is they are now the sixth largest exporter of arms in the world.

They learned after the oil shocks in the sixties and seventies that their dependence on foreign oil was something that was not good for the country. The point where they went from some 90 percent dependency on foreign oil down to something over just 50 percent—it was a very incredible program that they undertook.

And I think they are going to learn from this situation also, or so I feel from a variety of conversations that I have had with different government people and economists. And that is, once they come out from the challenge that they face now, I think the dependency on foreign capital from a lending point of view, as opposed to an investment point of view, is something they do not want to get themselves way out on a limb again.

Based on their ability to learn from past lessons, I would suggest to you that that may be the direction eventually that they will go in.

Thank you.

SENATOR MATHIAS. Mr. Secretary, I share your enthusiasm for Brazil and Brazilians. Let me say that. And I appreciate your statement here today.

In your written statement you refer to Brazil's temporary liquidity crisis. I was interested that in Fred Bergsten's testimony this morning he came armed with a new publication of the Institute for International Economics—

MR. MOTLEY. He must be giving them away, because he gave me one, too. [Laughter.] [5]

MR. LELAND. I have several in my office if you need an extra.

SENATOR MATHIAS. He referred to statistics, which I think have the effect of confirming your judgment, regarding a temporary liquidity crisis.

You also referred to the fact that there are several players on this scene, and some of them are players over which Brazil has very little control, very little national control. One of them is recovery in the industrial West at large. Another is what we do within the next day or two as far as IMF is concerned. Another is commercial bank financing.

Are these factors sufficiently appreciated, do you think, both in Brazil and here? There is such a tendency to say that Brazil was profligate, that the banks were too imprudent.

MR. MOTLEY. Having spent a lot of time, as Marc has, with all of the players, usually in groups of two or three, I think to answer your specific question, there is an appreciation of some segments by the players in all places. Now, having been through what is now the third IMF negotiation from the sidelines, as happens when you have something for all players, there's a chemistry of having to have give and take and a little sweat and the rest of it, and that something has to come about for each one of these programs.

I think that each player can analyze correctly what other players should do, and I think in their heart of hearts they probably understand what they as a player have to do. The eventual solution and the long-range solution to this thing, rather than just a rolling over, will come when all players understand not only the other

[5] All bracketed notes are in the source text.

guy's role, which is very easy to outline, but their own role.

MR. LELAND. I might add that for me, of course, Tony is the expert on Brazil and is particularly qualified for having been down there for a long time. So it is with trepidation that anybody makes any comment either before him or after him on the subject.

I might say, since he managed to handle Brazil so well, he was given the rest of Latin America handed to him as well. Sometimes I do not know how he can keep up on each of the numbers, but he does.

But I would basically agree with that observation. It is right now a liquidity situation. Something that gets forgotten in this, Mr. Chairman, not just in the Brazilian situation, is the developing countries are expected to run current account deficits. We did for 50 years after the war the Germans and the Japanese did.

So there is a certain period during which it is expected that there will be an inflow of capital, and as long as the proper things are being done with that capital that can continue. There is not some magic date all of a sudden that they are expected to repay it.

And obviously, as Tony said, they recognize that there could be an excess of this. They also recognize that it has to be put to productive uses, and that is basically what is being done.

But when you look—and I think you made this point earlier when the other panel was up here, Mr. Chairman—at Brazil, it is quite an extraordinary economy. You are talking about 125 million people and you are looking at a tremendously successful economy. When you think of what it took to adjust to the oil shocks at all—as you noted earlier, Brazil is an oil importer. They have reduced their dependence to some degree and they will continue doing so.

But considering it all, they have done a lot and I think they recognize that a lot more has to be done. They are working on it right now, to make it clear that it is just a liquidity process and that they can make these changes and get their economy back in order.

SENATOR MATHIAS. Of course, it is up to the Brazilians to decide the profile of their economy. The Brazilians have to decide whether they want to have a high level of nationalized industry or a high level of free market industry. That ought to put the two of you into the position of criticizing domestic decisions of a great friend.

But speaking from a technical point of view, is the degree of nationalization, the number of state-owned industries, going to be a help or a hindrance in climbing out of this trough?

MR. MOTLEY. I would say right now it is obviously a hindrance, because the deficit has to come out of the public trough on those companies, the parastatals. I think they recognize that. President Figueiredo made an effort about 2 years ago to sell off some of the parastatal industries.

Unfortunately, some of the ones offered up for sale were not some of the more healthy ones, so there were not too many takers. The attempt was there to try to relieve the government of the burden of carrying these on. They felt that the maturity of the economic base had gotten to the point where they would be attractive from an investment point of view. Unfortunately, because of the choice of those put up for sale or because investment was just going down overseas everywhere at the time it was put up, well, the timing was unfortunate and they did not get many takers.

But I think there is an awareness there that they need to relieve themselves of these basically deficit-producing enterprises. Would you not say so?

MR. LELAND. I guess so. They realize the problem, and the question of course is when can you do it? It is a question of timing.

MR. MOTLEY. Yes, it was really unfortunate. They made the decision just when we saw the drop in investments overseas.

SENATOR MATHIAS. I was very much interested in your description of the history of the approaches of the IMF and the fact that it was considered not a socially acceptable thing.

MR. MOTLEY. It still is causing a problem in acceptance today.

SENATOR MATHIAS. That is interesting, when you consider that one of the biggest customers in the IMF is the United States. We have applied to the IMF, of course.

MR. LELAND. Only topped by the United Kingdom.

SENATOR MATHIAS. That is right, the United States and the United Kingdom being the two best customers.

MR. LELAND. That is right, the United Kingdom is the biggest.

SENATOR MATHIAS. So as we said earlier this morning, the perception of the facts is often more important than the facts.

Let me ask Secretary Leland if he thinks the 1982 application has come too late. Would it have been helpful if it had come earlier?

MR. LELAND. I think it is our desire that countries come earlier rather than later. That is just a fact. With 20–20 hindsight, one would have thought that it would have been better if it came earlier. But I think, to give the Brazilians credit, they really came at a point when it was obvious that they should come.

But they did a lot of things earlier. I mean, there are a lot of other countries that did not. In Brazil's case, in 1981 the financial team recognized that a lot of these changes had to be made and they tried to do it on their own to a degree.

It was not totally successful, but they did not wait until 1982, really, to start their efforts.

MR. MOTLEY. I think one of the biggest problems is on timing, Mr. Chairman. Maybe they could have come earlier, but they came with their act together. But they came on the heels of Mexico and came just prior to Argentina. So instead of being ahead of the flow to the IMF, they were really kind of right in the first wave, and that compounded the problem.

SENATOR MATHIAS. Were you in Brazil during the discussion of deindexation?

MR. MOTLEY. Yes.

SENATOR MATHIAS. How did they approach that? It is a political and economic question.

MR. MOTLEY. It is a subject that has been discussed at different times there, because I think a lot of people understand the problem, I mean the basic economic fact that you are on a treadmill of indexation. The Brazilians I think invented, from my layman's point of view, indexation long before we were kicking it around 10 years ago.

But once you had the elected Congress, it became a much more difficult subject to discuss, as opposed to a Congress that was indirectly elected. That is what I meant about the political scene. It all changed. It became much more difficult to discuss.

SENATOR MATHIAS. There is not that much difference between Brasilia and Washington.

MR. MOTLEY. That is right. I can see parallels between the trials, tribulations and challenges we go through here and the ones they are going through there.

MR. LELAND. The IMF program requires them to cut their budget deficit during the first year and a half and then again in the following year, which they have agreed to do with their own negotiations.

SENATOR MATHIAS. The Congress of the United States would be rather hard pressed when faced with that kind of a challenge. [Laughter.]

What about the pressure for a debt moratorium? Is there much pressure for a debt moratorium now?

MR. LELAND. Well, either Tony or I could take that.

If you are speaking of Brazil specifically, I do not think so, and in general I do not. I think again a debt moratorium becomes a political issue that sometimes looks appealing. But I think in all of these countries what has impressed me is a very responsible, an amazingly responsible economic leadership, and there is a recognition that a debt moratorium would just exacerbate the problem, it would not help it.

What they need is continued financing. They are countries that are very much involved in foreign trade with the rest of the world, and they cannot cut themselves off from it. They need banks to finance that trade. They cannot have their trade all tied up.

So I think, while it is stated as a political issue, those who understand it economically realize it is not viable. It is much better off to do the economic adjustment that will enable them to continue to get

the external financing they need, and a debt moratorium would kill that.

MR. MOTLEY. I would agree with that assessment. In Brazil's case, from the beginning there was a very low, low decibel level of calls for a moratorium. There was an odd economist here or there or somebody else. In the last 4 or 5 months that decibel level has been raised a bit, but it is more, I think, a manifestation of a frustration with the austerity program that they are in rather than clear thinking.

Just like Marc said, when you say, all right, let us think this thing through with regards to the legal ramifications of a moratorium and the problems it raises and the rest of it, they just start backing off.

SENATOR MATHIAS. Let me ask one final question to each of you. What in your judgment would be the consequence of a failure of the U.S. Congress to pass the IMF funding legislation? You might want to comment on it generally and specifically as regards Brazil.

MR. LELAND. I can only reiterate what the President said yesterday, Mr. Chairman. I think it would be disastrous. We have testified before several committees and Secretary Regan has, and it was in the President's speech, that at the center of all of this adjustment process is the IMF.

The IMF cannot do its work without sufficient resources, and given growth in world trade, in general the increase we are asking for is a very reasonable one. It is essential that they have those funds. Without it, there is no particular strategy for handling it.

We have a President, quite candidly, that believes in a minimum of government involvement if you can have it in areas. But you still have to recognize that internationally, on problems such as balance of payments difficulties between governments and between countries, this is a traditional role of governments. This is what you cannot expect any other sector to provide.

And the IMF is the way that we do it. It is a problem for the governments, and therefore the quota increase has to go through. People say, well, what will we do without it? There really is no replacement for it. There just is not.

As Fred Bergsten mentioned, they may consider borrowing on the market, but that would be an additional matter. They really need the resources from the member governments. It is absolutely essential that they have them.

MR. MOTLEY. I would agree with Marc. I think, in a word, "disaster" is not too strong a word, not only from the purely financial ramifications that roll from that, but on top of that, let us just focus on the other aspect. I think what it does is send a signal to these countries that are facing these challenges that the United States is not going to be one of the players, so to speak. Not just regarding a contribution to the IMF, but it sends a signal as to our thinking on other aspects related to that.

In Brazil's case, Brazil is not that dependent upon the IMF percentage-wise, as many other countries are. In other words, it is not that important in the overall $11 billion funding as it would be to other countries. But it sends a signal that the U.S. Government maybe does not really care about it, and that leads into all kinds of political ramifications and gives rise to those who say: See, we have to find another way, and the other way is a different style of government.

I am not trying to draw a doomsday scenario, and the one thing you must keep in mind is this: The Portuguese stock from which Brazilians are born, their blood temperature is a lot lower than say Spanish stock or some of the others, and they have suffered from an austerity program that maybe other countries might not have maintained keeping the civil order that they have maintained. And I am not questioning for a moment that if IMF fails there will be tremendous problems in Brazil.

But it sends a signal as to the intent of the U.S. Government.

MR. LELAND. I should add, Mr. Chairman, because I think Tony could deal better, as he did with the political ramifications, that even economically, again as the President said yesterday, it is money you are putting in, you are getting interest on it, and you are getting it back. The question is, in my view you are saving by doing this. It is not as if we do not have it; somebody else will take care of the problem.

It has been our view that if you do not have it you will end up spending a lot more money in other ways in order to put bandaids here and there in less efficient ways to deal with the problem.

SENATOR MATHIAS. Well, that certainly would be my personal view.

Insofar as Brazil is concerned, its program does incorporate the IMF as an essential part of its recovery plan, and that plan would be dislocated to a major degree if the funding is not achieved.

MR. MOTLEY. Absolutely, from two points of view: One, from the fiscal resources; and also from the effect where to a certain degree when you are dealing with 2,000 banks you have to look to somebody for a good housekeeping seal of approval, and it becomes kind of like a funneling.

SENATOR MATHIAS. So it dislocates both the private sector and the public sector.

MR. MOTLEY. I think so. When he talked about the gap that they are facing, even now with what you are expecting from the IMF you still have not filled the whole gap. So if you remove that you are in even worse shape.

SENATOR MATHIAS. I thank you both very much for being here today. We appreciate your testimony.

MR. LELAND. Thank you, sir. We appreciate the opportunity to do so.

SENATOR MATHIAS. This committee stands in recess subject to call of the Chair.

Chile

Document 671

Transcript of the Department of State Daily Press Briefing, November 1, 1983 (Extract) [1]

U.S. Support For a Peaceful Transition to Democratic Government in Chile

. . . . . .

Q. And, also, if I could follow, I understand that the United States wants to say something about the dialog in Chile? It wants to say something to Pinochet?

A. I don't know that we want to say something about it, but always attempting to anticipate your questions, we may well have something on that.

Q. I'm surprised.

A. We have on repeated occasions expressed our full support for a peaceful transition to a democratic government in Chile. In this context we welcome the three earlier rounds of talks between the Chilean Government and democratic opposition.

While it by no means is the only avenue for exchanging views on how to accelerate the transition to democracy, the dialog offers a useful framework for discussing possible solutions, and for giving urgency and direction to the transition process.

We regret to note that the formal dialog which was interrupted in late September remains suspended. In the absence of such a dialog or exchange of views on a democratic transition, it is a matter of concern since this situation can only favor

[1] Source: Office of Press Relations, Department of State. John Hughes, Department of State Spokesman, conducted the briefing which began at 12:28 p.m.

those opposed to a peaceful return to civilian government in Chile.

. . . . . .

Document 672

Transcript of a Department of State Press Conference, Santiago, November 3, 1983 [2]

"The United States Respects Chile and We Want To Keep a Longstanding Friendship"

Q. What conclusion have you drawn as a result of your visit? [3]

A. Well, the world doesn't stop turning after a short visit like mine so that one should not expect anything after such a short visit. But I had an excellent opportunity to speak to people of all different points of view. Everybody was frank. I was very impressed with Mr. Jarpa as a pragmatic political official [4] and my responsibility is to go back home and report to my government my overall observations and, in turn, while here to reemphasize the fact that even when there are differences of opinion the United States respects Chile and we want to keep a longstanding friendship.

Q. What do you think about the Chilean political process?

A. I am not the expert but the process toward democracy everybody tells me is inevitable it is a matter of when and how all the pieces fall into place. There is no doubt that the process is there.

Q. Is there a significant difference between your previous knowledge of Chilean reality and what you have learned on this trip?

A. I think the reality of every country lies in the internal politics and an outsider cannot completely grasp the reality of any country. But you have a long history of democracy and you have an obviously energetic group of people interested in politics.

Q. What difficulties do you see in relations between the United States and Chile?

A. I think the obvious difficulty, I would not so much call it a difficulty, as an honest difference of opinion, is that in the United States our democracy has never failed us. It is hard for us to appreciate how the system goes awry elsewhere.

Q. Could the last declaration of the Department of State signify that silent diplomacy of President Reagan has been discarded?

A. No, silent diplomacy is something we prefer. I think what happened, is that you are referring to an official statement made by our spokesman in answer to a question from the press—and you all know how the press can ask difficult questions. [5]

Q. What do you think about retaining the Presidential period until 1989?

A. That is an internal decision for Chile.

[2] Source: Department of State files; the press conference was held at the Santiago airport by Counselor of the Department of State Edward J. Derwinski upon his departure from Chile.

[3] Derwinski arrived in Chile on November 2, 1983. Before returning to Washington on November 6, he also visited Bolivia, Uruguay, and Paraguay.

[4] Sergio Onofre Jarpa Reyes, Chilean Minister of Interior.

Ecuador

Document 673

Transcript of a White House Press Briefing, April 8, 1983 [1]

Visit of Ecuadoran President Hurtado

MR. ALLIN. Okay. I apologize for the delay. The briefing will be *on background,*

[5] See *supra.*

[1] Source: White House Press Release, April 8, 1983, Office of the Press Secretary to the Presi-

Continued

attributable to a senior administration official. This briefing is on the visit of President Reagan and President Hurtado. And it will deal, exclusively, with that meeting. So other questions on other subjects that you may feel our briefer has some insight into can be addressed at some other point. This briefing is on the meeting that was held today and on U.S.-Ecuadoran relations.

Thank you.

SENIOR ADMINISTRATION OFFICIAL. Thank you, Mort.

The discussions that the two Presidents had—and that George Shultz and Don Regan and other administration officials had with President Hurtado—covered the following points.

First, support for democracy—this is an elected, democratic, constitutional government in Ecuador, coming in after a period of military rule. It is headed toward Presidential and parliamentary elections next year, with the first round in January of 1984. It has been a very difficult transition. The President expressed his strong support for democracy in this country and, indeed, for the spreading trend toward democratic institutions throughout the hemisphere. And President Hurtado, in addition to reiterating his strong belief in democracy in the hemisphere, thanked the President for the support that we have given.

The second topic that was treated in several conversations is the economic one. As you heard President Hurtado point out, Latin America is in a serious debt crisis. [2] And most of the countries on the continent are facing deep recessions with an uncertain future. The President, President Hurtado, described what Ecuador had done to deal with this issue. It has, on the one hand, asked for the rescheduling of a portion—$1.3 billion—of its $6 billion foreign debt. That is under discussion with New York and other bankers. And the discussions are proceeding quite positively. They will be taken up again this week. And the expectation is that they will be successful.

On the other hand, though, the Government of Ecuador has taken a series of very difficult stabilization measures, have caused a good deal of popular reaction. It has acted with courage and some considerable firmness and with success—such things as sharp devaluations of the currency, removal of subsidies on petroleum and other products, sharp cuts in state programs in a number of areas, and a compression of the budget deficit. All of this latter has been taken in conjunction with a negotiation with the IMF, which has progressed quite well.

The United States, on its side, has—in addition to its, roughly, $10 million program of economic assistance for this country—provided this year—and we are just about to announce the second part of this—$81 million worth of CCC agricultural credits. [3]

Now, in discussions on the economic side, both the Ecuadorans and our officials agreed that not only do individual countries have to put their houses in order, but there has to be some general expansion in the international system. It is one thing if only a few countries have to cut back. But if every country has to cut back, this becomes inconsistent. And an environment is created in which the effects tend to reinforce each other and make matters worse for individual countries.

The President, Mr. Regan, Mr. Shultz pointed out to the developing expansion in the U.S. economy, said that it is not a question of having a single locomotive for the Western World, but of a large number of countries moving together and all would affect each other and pointed to the Williamsburg summit as the next occasion on which to discuss a common strategy in depth.

We also covered—third subject—a number of hemispheric questions; in particular, the question of how to develop diplomacy moving towards peaceful solu-

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dent. The briefing was conducted on background by a senior administration official in the White House Briefing Room beginning at 2:14 p.m.

[2] For text of earlier remarks by Presidents Hurtado and Reagan, see *Weekly Compilation of Presidential Documents*, April 11, 1983, pp. 521–522.

[3] On January 20, 1983, the Commodity Credit Corporation, under its Export Credit Guarantee Program, authorized up to $65.3 million in guarantees to U.S. exporters for U.S. agricultural sales to Ecuador. (U.S. Department of Agriculture, Foreign Agriculture Service press release)

tions in Central America. It was pointed out in the course of these discussions that a proposal had emerged in Central America, led by Honduras but responding to an initiative by a number of regional powers, such as Mexico, Venezuela and Colombia, to have an all Latin regional meeting on peace in Central America.[4] Have [*There has*] been a lot of consultation with the United States, and we had agreed that we should not take a direct part in this in order to maximize the possibility that Nicaragua would join it.

However, at the present moment, Nicaragua appears to be resisting this meeting with other Central American countries. The debate is occurring in the OAS over what is the right forum of such a meeting. The United States representatives expressed support for this five-plus-five initiative, five Central American countries, five other Latin American witnesses, as they are called. And there was a larger discussion about the role of peaceful discussions in the hemisphere, including the experience the United States has had in attempting to negotiate with Cuba, and attitudes that the Cuban Government adopts towards its neighbors.

Our relations with Ecuador are very good; a very cordial exchange, mutually supportive exchange. The President of Ecuador thanked us for the support that we had given during recent severe flooding in his country, particularly in the coastal town of Guayaquil.

Okay. That, I think, summarizes about where we were. Yes, sir.

Q. As you know, the President of Ecuador and his Foreign Minister[5] have made statements in the last 6 weeks in which both have declared their view that in order for there to be peace in Central America, all foreign interventionists should leave the region. How does the United States view that suggestion since we, of course, have uniformed military advisers in El Salvador—trainers, pardon me—and we have covert activities going on which the administration says is within—are within the law. So how do those things fit within President Hurtado and his Foreign Minister's view that all interventionists in the region should leave?

SENIOR ADMINISTRATION OFFICIAL. Well, you may recall that a number of democratic countries, including this one, got together in October in San Jose and tried to outline an end game, if you will, for Central America, sort of what we were aiming at.[6] And one of the things that we were—we said must happen, all of us—the United States has affirmed that in a number of ways since that time, including by President Reagan repeatedly during his trip to Latin America and Central America in December[7]—one of the things that we suggested was that there should be mutual, reciprocal, verified accords on removal of all foreign advisers, limitation of the import of heavy offensive weapons, an end to insurgencies run from one country on another on the same mutual and verifiable basis, and a number of other points. But all of those points were included in that statement of policy and supported subsequently by the President.

We don't have to have a lot of foreign military trainers in El Salvador or elsewhere. We have a few. We don't have nearly as many, of course, as the Cubans have in Nicaragua.

Q. That wasn't my question, sir. President Hurtado and his Foreign Minister have both said all foreign military interventionists in the region should be withdrawn. What is our government's view of that call—

SENIOR ADMINISTRATION OFFICIAL. Our government's view of that is that, and I'm giving you the specifics, because we've already supported and indeed proposed the specifics that on the same reciprocal and verified basis that we should remove the trainers, part of the intervention, if you will. I think that's what is meant by that word and the heavy offensive weapons and so forth. That is all on a basis of reciprocity and verification. That is an American proposal and that of other democracies in the area.

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[4] The Honduran proposal was discussed in the record of proceedings of the protocolary session of the Permanent Council of the Organization of American States, March 29, 1983 (OAS document CP/ACTA 520/83), and the Special Sessions, April 5 and 11, 1983 (OAS document CP/ACTA 521/83).

[5] Luis Valencia Rodriguez.

[6] For text of the Final Act of San José, October 4, 1982, see *American Foreign Policy: Current Documents, 1982*, p. 1470.

[7] President Reagan traveled to Latin America, November 30 to December 4, 1982.

Q. May I follow up, sir. Did he raise this issue in the talks today?

SENIOR ADMINISTRATION OFFICIAL. No.

Q. Has it been raised at the embassy level or at the level of foreign minister talking to foreign minister?

SENIOR ADMINISTRATION OFFICIAL. No.

Q. Thank you.

SENIOR ADMINISTRATION OFFICIAL. On an economic question with Ecuador, he said while he was in New York that he was interested in a debt solution that would involve debtor countries paying on their ability to pay perhaps with respect to their foreign exchange earnings rather than fixed interest rates and over and over again rescheduling.

Q. Did he bring this up in the meeting today and—

SENIOR ADMINISTRATION OFFICIAL. No, sir.

Q. Didn't come up at all?

SENIOR ADMINISTRATION OFFICIAL. No, sir. He, indeed, spoke of the relatively good job he thought Ecuador was doing in reaching agreement with its creditors and the successful handling of its debt. He pointed out that this is a very major issue. You heard him speak out in front of the White House. It's a very major issue for a lot of countries that we all must be concerned with, but he did not propose such a solution.

Q. And anything about a collection of countries similarly situated with respect to that—getting together and devising some overall debt relief?

SENIOR ADMINISTRATION OFFICIAL. No.

Q. Didn't even bring it up?

SENIOR ADMINISTRATION OFFICIAL. No.

Q. In the five-plus-five plan, did he voice support for it?

SENIOR ADMINISTRATION OFFICIAL. He voiced support for solutions that would get the maximum amount of agreement. He said that Ecuador is not proposing its own plan, does not plan to put forward specific ideas but is vitally interested in peace in Central America and would support and join other proposals.

Q. But he did not specifically support five-plus-five?

SENIOR ADMINISTRATION OFFICIAL. No, he did not specifically support five-plus-five although he did express interest in it.

Q. Did he ask the President—President Reagan for any information on what exactly the United States is doing in Nicaragua? And was any explanation offered?

SENIOR ADMINISTRATION OFFICIAL. No, the subject did not come up as I think I just mentioned.

Q. Sir, on the economic front, you say that he had not asked for any economic aid, he have no [*had not*] discussed the Nicaraguan issue, and he have no [*had not*] expressed himself on the five-and-five proposal. What is the substance of the visit then?

SENIOR ADMINISTRATION OFFICIAL. It was mainly on the three points that I mentioned before which resulted in some very far-ranging conversations on this. We said on our side that we thought that, indeed, they had done extremely well with their stabilization program and that we were telling our banks that we thought it was a serious and constructive program that is worthy of support.

I don't think that either the President of Ecuador or our President thought of this as a meeting in which—to request economic assistance. We had, as I mentioned, just granted a substantial amount in the CCC credits.

Q. Sir—

SENIOR ADMINISTRATION OFFICIAL. I'm sorry, that—excuse me, you're first.

Q. I just wanted to ask you about the CCC credits. You say we've already granted them or we are about to make the announcement?

SENIOR ADMINISTRATION OFFICIAL. The second tranche of them is about to be announced. The total will be $81 million.

Q. And forgive my ignorance, but what does CCC credits mean?

SENIOR ADMINISTRATION OFFICIAL. They mean short-term credits for the purchase of agricultural goods, generally 3 years in length. It would be particularly helpful at

this time of a payments crunch in Ecuador.

Q. How much of it's already been made public then?

Q. Is that for all—

Q. How much of the $81 million has already been announced?

SENIOR ADMINISTRATION OFFICIAL. How much are the—have we got an expert here on—

SENIOR ADMINISTRATION OFFICIAL. I don't know, sir.

Q. This is for Ecuador to buy American agricultural products?

SENIOR ADMINISTRATION OFFICIAL. Yes, I don't know how it's broken down into the two tranches, I'm sorry.

Q. And this is all $81 million—all the credits are for Ecuador and not for—

SENIOR ADMINISTRATION OFFICIAL. Ecuador.

Q. —agriculture—beets, corn—

SENIOR ADMINISTRATION OFFICIAL. I can't tell you that either. I'm sorry.

Q. You're going to have to provide specialized—take numbers and provide specialized information, please.

MR. ALLIN. You ought to give Jeff Biggs [8] a call at the Department, 632-4726. I'm sure he will be glad to provide that. Right, Jeff?

Q. What's the number again?

MR. ALLIN. Jeff?

Q. Yes.

Q. In his speech before the OAS yesterday, President Hurtado said, and I quote, "The violence that has left a trail of blood in Central America has historical causes that are linked to oppression, social injustice, and economic problems." [9] In his departure declaration, President Reagan thanked President Hurtado for sharing with him the benefit of his perceptive views. Was that perceptive view shared with President Reagan and did he try to stress that the President should take that into his analysis of what's been going on in Central America?

SENIOR ADMINISTRATION OFFICIAL. No, he did not make that point. However, many administration spokesmen have, as you know, said that there are two things going on in Central America. One is the legacy of past injustices, and the other is outside interference.

Q. Just a clarification on the five-plus-five.

SENIOR ADMINISTRATION OFFICIAL. Yes.

Q. Is the five-plus-five identical—is the Honduran resolution at the OAS identical to the five-plus-five, or is there a difference? [10]

SENIOR ADMINISTRATION OFFICIAL. No, it simply says—calls on all countries to meet under this formula in order to discuss the resolution of their problems, all countries in Central America.

Q. Under five-plus-five—I thought it didn't—

SENIOR ADMINISTRATION OFFICIAL. It has the five, and it is less certain about how many others should come in, but it suggests other Latin American countries coming in and being witnesses without—

Q. And would we oppose—if Cuba were invited as a Latin American country, would we oppose that?

SENIOR ADMINISTRATION OFFICIAL. It refers to members of the OAS, I believe. We would not support that, no.

Q. At any time during the meeting, was the issue of—

SENIOR ADMINISTRATION OFFICIAL. And—excuse me—I think I should say that no one is proposing it.

Q. All right.

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[8] Public Affairs Officer, Bureau of Inter-American Affairs.

[9] The text of President Hurtado's speech before a protocolary session of the OAS Permanent Council, April 7, 1983, is in OAS document CP/ACTA 523/83.

[10] The text of the draft resolution presented by the Permanent Mission of Honduras at the Special Meeting of the Permanent Council, April 5, 1983, is in OAS document CP/doc.1353/83.

Q. Sorry. At any time during the meeting, was the issue of tuna fishing raised by either side?

SENIOR ADMINISTRATION OFFICIAL. Yes, it was in a congratulatory tone because this is a very difficult issue—an issue brought about, on the one hand, by seizures, by Ecuador of U.S. tuna fishing boats and, on the other hand, by the imposition of a U.S. embargo on tuna and tuna products, has been satisfactorily resolved. It was a month ago. [11]

MR. ALLIN. Last question.

SENIOR ADMINISTRATION OFFICIAL. You may have heard President Reagan referring to this in his remarks.

MR. ALLIN. . . . ?

Q. Yes. The question is: Did the President of Ecuador urge President Reagan to seek a peaceful solution to problems in Central America? Did he use those words?

SENIOR ADMINISTRATION OFFICIAL. No. It was the American side that raised the ideas that we have and see—possibilities we see for peaceful solutions. And it was President Hurtado who commented and reacted on some of his quite general ideas without putting forward specific ones.

Q. So he didn't have to bring up Central America, then, on his own? It was the—

SENIOR ADMINISTRATION OFFICIAL. We did.

Q. He didn't?

SENIOR ADMINISTRATION OFFICIAL. We did.

Q. What about the CBI?

SENIOR ADMINISTRATION OFFICIAL. He did not bring it up. Ecuador is not a beneficiary.

Q. It was not discussed in the context of the hemisphere?

SENIOR ADMINISTRATION OFFICIAL. No.

THE PRESS. Thank you.

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[11] For text of the *Federal Register* notice removing the prohibition on the importation of tuna and tuna products from Ecuador and Peru, see 48 FR 16798, April 19, 1983.

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